

Market Commentary

Recap: The oil market traded lower on Wednesday as the U.S. dollar rallied following Donald Trump's re-election as president. Traders expect a Trump presidency to support the dollar as interest rates may need to remain high to lower inflation resulting from any new tariffs and policies that may further pressure China's economy. The crude market traded lower in overnight trading and continued to sell off early in the morning as the U.S. dollar was set for its largest one-day increase since March 2020. The crude market extended its losses to \$2.25 and retraced almost 50% of its move from a low of \$66.72 to a high of \$72.67 as it posted a low of \$69.74. However, the oil market bounced off its low and retraced its losses as the market focused on the possibility that the president elect could renew sanctions on Iran and Venezuela, which could remove barrels from the market, and the fact that the war in the Middle East continues. The market, which largely ignored the EIA weekly inventory report showing a build of over 2 million barrels in crude stocks, traded to a high of \$72.63 by mid-day and later traded in a sideways trading range during the remainder of the session. The December WTI contract settled down 30 cents at \$71.69 and the January Brent contract settled down 61 cents at \$74.92. The product market ended the session in negative territory, with the heating oil market settling down 3.42 cents at \$2.27 and the RB market settling down 92 points at \$2.0354.

Technical Analysis: The oil market on Thursday is seen trading higher following the market's sharp selloff on the re-election of Donald Trump early on Wednesday. The market will focus on the ongoing war in the Middle East and on the shut in production in the U.S. Gulf of Mexico ahead of Hurricane Rafael. The market will also focus on the Federal Reserve's interest rate decision on Thursday afternoon, when the central bank is expected to cut rates by 25 basis points or half of the size of its September reduction. The crude market is seen finding resistance at its highs of \$72.63-\$72.67 followed by \$74.35, \$75.28, \$75.45 and \$77.70. Meanwhile, support is seen at \$69.74, \$69.32, \$68.30, \$67.28 and \$66.72.

Fundamental News: The EIA said U.S. exports of petroleum products increased to a record high of 7.62 million bpd in the week ending November 1st. Total petroleum product exports increased by 1.3 million bpd on the week, the largest increase since the week ending June 7th. The previous record for total petroleum exports was also in the week ending June 7th at 7.5 million bpd. The EIA reported that U.S. Midwest gasoline stocks fell by 100,000 barrels to 44.3 million barrels, the lowest level since November 2023 and U.S. Midwest distillate fuel stocks fell by 100,000 barrels to 26.3 million barrels, also the lowest level since November 2023.

Analysts said that president elect Donald Trump's return to the White House could mean tougher enforcement of U.S. oil sanctions against Iran, potentially cutting global supplies, but they added that his administration could struggle to get China, Iran's top crude customer, to cooperate. Enforcing sanctions on Iran would support global oil prices, but the effect could also be offset by the president elect's other policies, from measures to expand domestic drilling, the imposition of tariffs on China that could cut economic activity or an easing of relations with Russia that could increase its sanctioned crude shipments. Jesse Jones, head of North American upstream at Energy Aspects said a Trump administration return to a maximum-pressure campaign on Iran could lead to a 1 million bpd decrease in Iranian crude exports.

The Iranian Student News Agency reported that Iran's Revolutionary Guards' deputy chief Ali Fadavi said Iran is ready for confrontation with Israel and does not rule out a pre-emptive strike by the U.S. and Israel, after Donald Trump claimed victory in the U.S. presidential election.

The U.S. Bureau of Safety and Environmental Enforcement said about 17% or 304,418 bpd of crude oil production and 7% or 131 million cubic feet of natural gas output in the U.S. Gulf of Mexico was shut in response to Hurricane Rafael.

Early Market Call - as of 8:15 AM EDT

WTI - Dec \$71.39, down 30 cents

RBOB - Dec \$2.0297, down 57 points

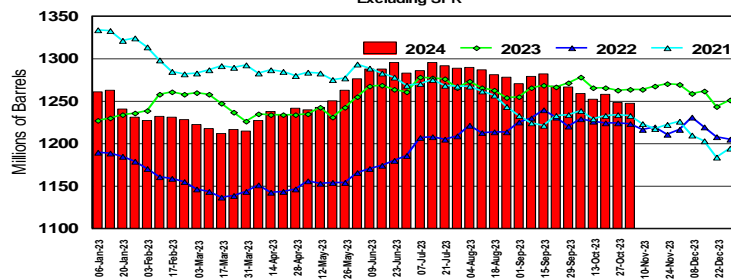
HO - Dec \$2.2605, down 95 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-24	2.2700	-0.0342	0.0715
Jan-25	2.2813	-0.0318	0.0745
Feb-25	2.2866	-0.0290	0.0783
Mar-25	2.2784	-0.0270	0.0783
Apr-25	2.2661	-0.0257	0.0761
May-25	2.2583	-0.0251	0.0736
Jun-25	2.2544	-0.0247	0.0713
Jul-25	2.2601	-0.0237	0.0694
Aug-25	2.2668	-0.0227	0.0676
Sep-25	2.2752	-0.0218	0.0656
Oct-25	2.2830	-0.0211	0.0630
Nov-25	2.2888	-0.0199	0.0618
Dec-25	2.2928	-0.0189	0.0610
Jan-26	2.2982	-0.0181	0.0603
Feb-26	2.2972	-0.0177	0.0589
Mar-26	2.2882	-0.0168	0.0572
Apr-26	2.2730	-0.0167	0.0543

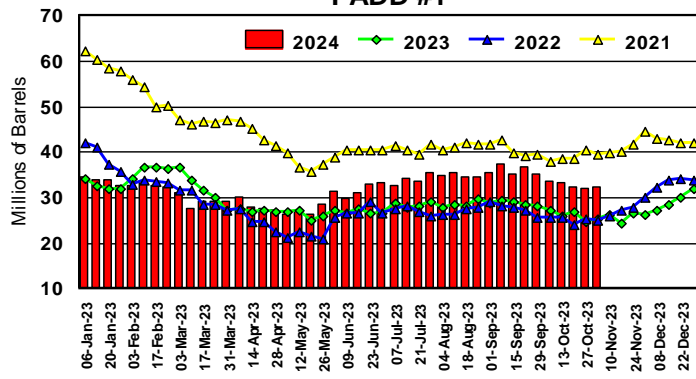
Sprague HeatCurve October 2025-April 2026		\$2.2911
	Close	Change
Crude - WTI	\$71.2400	-\$0.3200
Crude - Brent	\$74.9200	-\$0.6100
Natural Gas	\$2.7470	\$0.0770
Gasoline	\$2.0354	-\$0.0092

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending November 1, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 2.149 million barrels
 Cushing, OK Crude Stocks Up 522,000 barrels
Gasoline Stocks Up 412,000 barrels
Distillate Stocks Up 2.947 million barrels
Refinery % Operated 90.5%, up 1.4%

PADD #1

	Week Ending Nov. 1, 2024	Week Ending Oct. 25, 2024	Week Ending Nov. 3, 2023
Distillate Stocks (in million bbl)			
New England	5.7	5.4	3.3
Central Atlantic	17.0	16.1	11.1
Total PADD #1	32.2	32.1	25.2
Distillate Imports (thousands b/d)	126	115	202