

Market Commentary

Recap: The crude market settled in a sideways trading range after trading lower in follow through selling seen in the previous two sessions as the market weighed OPEC's latest downward revision for demand growth, a stronger U.S. dollar and disappointment over China's stimulus plan announced on Friday. The crude market breached its previous low and posted a low of \$67.75 in overnight trading. However, the market recovered some of its losses only to trade back down towards the \$68.00 level in light of OPEC cutting its forecast for global oil demand growth in 2024 and also cutting its projection for next year. The oil market later rallied to a high of \$69.13 by mid-morning. However, the market seesawed back towards the lower end of its trading range and settled in a 50 cent trading range during the remainder of the session. The November WTI contract settled up 8 cents at \$68.12 and the December Brent contract settled up 6 cents at \$71.89. The product markets ended the session higher, with the heating oil market settling up 1.32 cents at \$2.2108 and the RB market settling up 73 points at \$1.9643.

Technical Analysis: While the market is seen trading lower in light of the latest OPEC report and its daily stochastics pointing lower, the market's losses will be limited as traders position themselves ahead of the release of the weekly petroleum stocks reports on Wednesday afternoon and Thursday morning. The oil inventory reports are expected to show builds in crude stocks and draws in product stocks. Support is seen at \$67.75, \$67.52, \$67.28, \$66.72 and \$65.92. Meanwhile, resistance is seen at \$69.13, \$70.56, \$72.25 and \$72.88.

Fundamental News: OPEC cut its forecast for global oil demand growth in 2024 and lowered its projection for next year, highlighting China, India and other regions, marking the producer group's fourth consecutive downward revision. In a monthly report on Tuesday, OPEC said world oil demand will increase by 1.82 million bpd in 2024, down from growth of 1.93 million bpd previously forecast. China accounted for the bulk of the 2024 downgrade. OPEC trimmed its Chinese growth forecast to 450,000 bpd from 580,000 bpd and said diesel use in September fell year on year for a seventh consecutive month. OPEC, which is still at the top end of industry estimates after the revision, also cut its 2025 global demand growth estimate to 1.54 million bpd from 1.64 million bpd. The report also showed that OPEC's output is increasing, with Libyan production rebounding after being cut by unrest. OPEC+ produced 40.34 million bpd in October, up 215,000 bpd from September. Meanwhile, Iraq cut its output by 66,000 barrels to 4.068 million bpd, closer to its 4 million bpd quota. OPEC said Russia's crude oil output increased in October by 9,000 bpd to about 9.01 million bpd. This was slightly above the quota agreed by the OPEC+ group. Under OPEC+ deals and voluntary cuts, Russia's monthly quota stands at 8.98 million bpd. Russia has pledged to compensate for its overproduction since April with reductions in October and November this year and between March and September next year.

The Bureau of Safety and Environmental Enforcement reported that more than a 10% or 183,992 bpd of U.S. Gulf of Mexico oil and 3% or 59 million cubic feet of natural gas output remained offline in the aftermath of post-tropical cyclone Rafael.

BloomberNEF is estimating that net oil refining capacity globally is set to grow by 4.7 million b/d over the next six years outpacing the expected growth in consumption.

S&P Commodity Insights estimates that for the week ending November 8th U.S. crude oil exports stood at 3.13 million b/d.

Saudi Aramco reportedly has allocated full-term volumes to Asian refiners for December-loading crude supply.

Early Market Call - as of 8:40 AM EDT

WTI - Dec \$68.37, up 25 cents

RBOB - Dec \$1.97.20, up 77 points

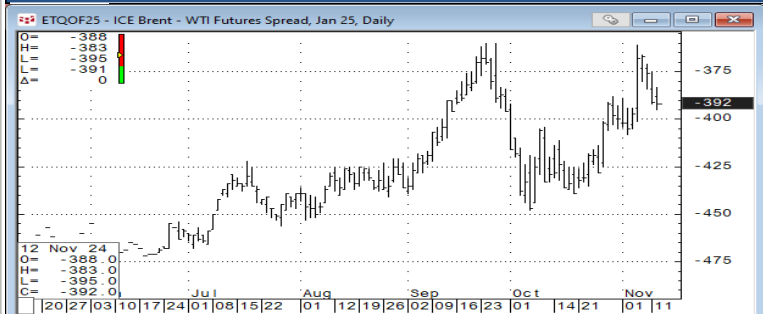
HO - Dec \$2.2147, up 39 points

All NYMEX | Prior Settlements

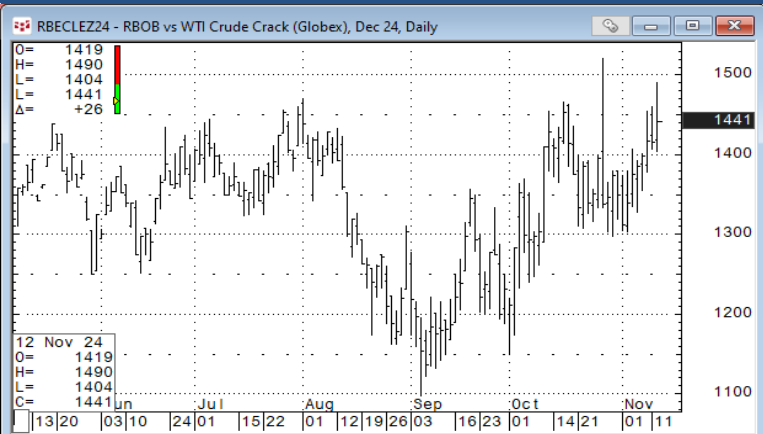
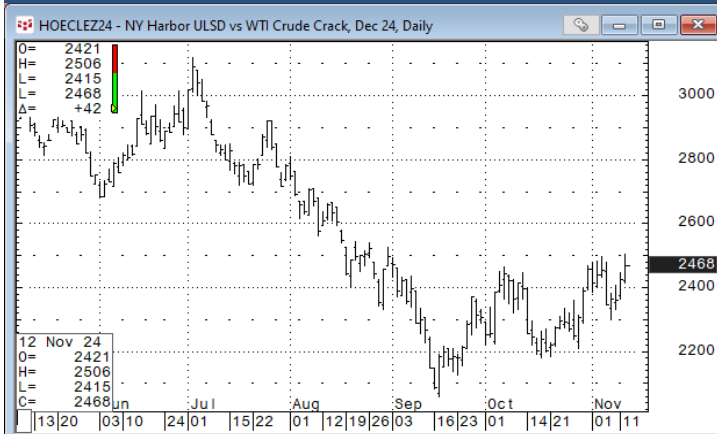
	USLD (HO) Close	Prior Settle Change	Change In One Week
Dec-24	\$2.2108	\$0.0132	(\$0.0934)
Jan-25	\$2.2194	\$0.0124	(\$0.0937)
Feb-25	\$2.2225	\$0.0119	(\$0.0931)
Mar-25	\$2.2151	\$0.0113	(\$0.0903)
Apr-25	\$2.2033	\$0.0104	(\$0.0885)
May-25	\$2.1958	\$0.0089	(\$0.0876)
Jun-25	\$2.1922	\$0.0075	(\$0.0869)
Jul-25	\$2.1976	\$0.0059	(\$0.0862)
Aug-25	\$2.2047	\$0.0047	(\$0.0848)
Sep-25	\$2.2144	\$0.0041	(\$0.0826)
Oct-25	\$2.2243	\$0.0040	(\$0.0798)
Nov-25	\$2.2313	\$0.0037	(\$0.0774)
Dec-25	\$2.2362	\$0.0028	(\$0.0755)
Jan-26	\$2.2425	\$0.0029	(\$0.0738)
Feb-26	\$2.2427	\$0.0033	(\$0.0722)
Mar-26	\$2.2349	\$0.0035	(\$0.0701)
Apr-26	\$2.2211	\$0.0036	(\$0.0686)

Sprague HeatCurve October 2025-April 2026			\$2.2358
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$3.92	\$67.9700	\$0.0500
Crude - Brent		\$71.8900	\$0.0600
Natural Gas		\$2.9070	-\$0.0130
Gasoline		\$1.9643	\$0.0073

ICE January Brent-WTI Spread



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