

Market Commentary

Recap: The oil market rallied higher on Monday as Russia's war in Ukraine escalated over the weekend and news of halted oil output at Norway's Johan Sverdrup oilfield. The crude market posted an outside trading day as it posted a low of \$66.61 on the opening and remained well supported throughout the session as it rallied to a high of \$69.39 in the afternoon. The market bounced off its low amid a reversal in the U.S.' policy that will allow Ukraine to use U.S. made weapons to strike in Russia. The Kremlin said that Russia would respond to what it called a reckless decision by U.S. President Biden's administration. The market extended its gains further following the news that Equinor halted output from its Johan Sverdrup oilfield due to an onshore power outage. The market extended its gains to \$2.37 as it rallied to a high of \$69.39 ahead of the close. The December WTI contract settled up \$2.14 at \$69.16 and the January WTI contract settled up \$2.25 at \$69.17. The December/January WTI spread flipped into contango for the first time since February as WTI for January delivery traded above the December contract, signaling an oversupply. Meanwhile, the Brent contract settled up \$2.26 at \$73.30. The product markets ended the session higher, with the heating oil market settling up 8.05 cents at \$2.2514 and the RB market settling up 6.9 cents at \$2.0183.

Technical Analysis: The crude market is seen trading sideways following today's sharp rally on the supportive news regarding the Russian-Ukrainian conflict and the shut in of the Johan Sverdrup oilfield. The market will likely remain range bound as it awaits the release of the weekly petroleum stocks reports on Tuesday evening and Wednesday morning. The market is seen finding resistance at its high of \$69.39, \$69.75, \$70.48 and \$70.56. More distant resistance is seen at \$72.25 and \$72.88. Meanwhile, support is seen at \$68.50, \$67.40, \$66.61, \$65.99, \$64.49 and \$64.16.

Fundamental News: U.S. President Joe Biden's administration has lifted restrictions that had blocked Ukraine from using U.S.-provided weapons to strike in Russian territory, in a significant change to U.S. policy in the Ukraine-Russia conflict. Sources said Ukraine plans to conduct its first long-range attacks in the coming days. The change follows Russia's deployment of North Korean ground troops to supplement its own forces, a development that has caused alarm in Washington and Kyiv. Meanwhile, the Kremlin said that Russia would respond to what it called a reckless decision by President Biden's administration to allow Ukraine to fire American missiles deep into Russia, which it said would draw the United States directly into the conflict. Russia has been warning the West for months about how it would interpret such a decision, saying it would raise the risk of a confrontation with the U.S.-led NATO alliance.

Equinor halted the output from its Johan Sverdrup oilfield due to a power outage. An Equinor spokesperson said work was underway to re-establish production but it was not immediately clear when it would resume. The outage was caused by smoke developing in an onshore electricity converter station which sends power to phase 1 of the Johan Sverdrup development.

Data from the Joint Organizations Data Initiative showed that Saudi Arabia's oil production fell to 8.975 million bpd in September from 8.992 million bpd in August. It also reported that Saudi Arabia's crude oil exports in September increased to 5.751 million bpd from 5.671 million bpd in August.

IIR Energy said U.S. oil refiners are expected to shut in about 291,000 bpd of capacity in the week ending November 22nd, raising available refining capacity by 316,000 bpd. Offline capacity is expected to fall to 170,000 bpd in the week ending November 29th.

Citgo Petroleum Corp reported operating conditions have made flaring necessary at the 165,000 bpd Corpus Christi East plant in Texas.

Early Market Call - as of 8:15 AM EDT

WTI - Dec \$68.90, down 26 cents

RBOB - Dec \$2.0214, up 31 points

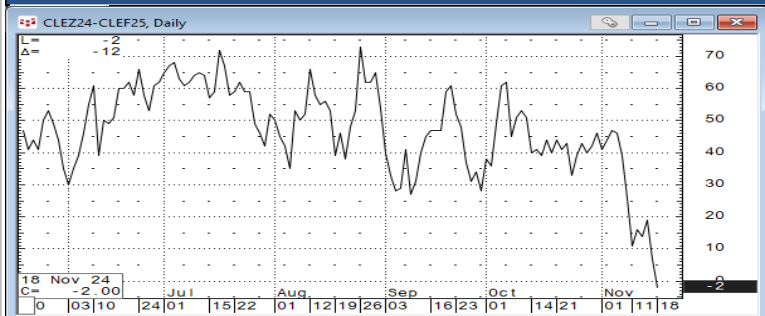
HO - Dec \$2.2430, down 84 points

All NYMEX | Prior Settlements

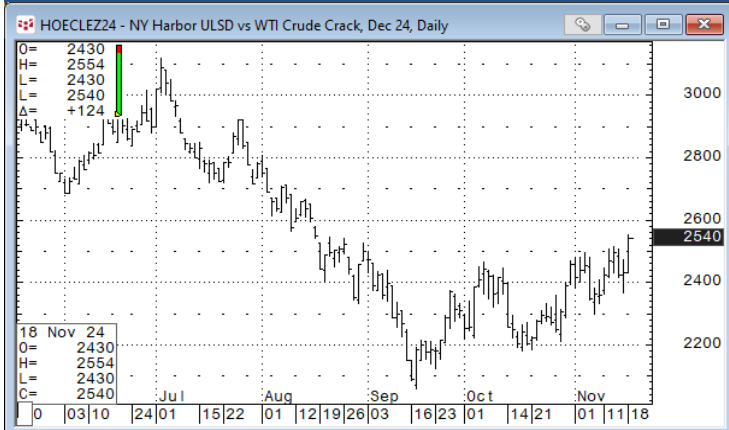
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-24	2.2514	0.0805	0.0538
Jan-25	2.2621	0.0803	0.0551
Feb-25	2.2655	0.0788	0.0549
Mar-25	2.2569	0.0774	0.0531
Apr-25	2.2449	0.0766	0.0520
May-25	2.2361	0.0742	0.0492
Jun-25	2.2296	0.0712	0.0449
Jul-25	2.2316	0.0696	0.0399
Aug-25	2.2358	0.0679	0.0358
Sep-25	2.2434	0.0665	0.0331
Oct-25	2.2517	0.0650	0.0314
Nov-25	2.2579	0.0638	0.0303
Dec-25	2.2630	0.0629	0.0296
Jan-26	2.2687	0.0616	0.0291
Feb-26	2.2674	0.0598	0.0280
Mar-26	2.2583	0.0583	0.0269
Apr-26	2.2428	0.0564	0.0253

Sprague HeatCurve October 2025-April 2026			\$2.2611
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.13	\$69.1700	\$2.2500
Crude - Brent		\$73.3000	\$2.2600
Natural Gas		\$2.9730	\$0.1500
Gasoline		\$2.0183	\$0.0690

NYMEX December-January WTI



December Heating Oil Crack Spread



December RBOB Crack Spread

