

## Market Commentary

**Recap:** The oil market on Wednesday traded higher as it remained supported by the smaller than expected OPEC+ output increase for next month announced over the weekend as well as on concerns over sanctions on Russia due to its lack of progress on a peace deal with Ukraine. The crude market opened at its low of \$62.05 as the market remained supported by the limited OPEC+ production increase. The market continued to trend higher as the market focused on comments made by a top Russian diplomat, who stated that the impetus to reach a peace deal with Ukraine has been largely exhausted. The lack of progress on a peace deal raises concerns that the U.S. and Europe will keep sanctions on Russia for longer. The oil market, which saw some retracement of its gains ahead of the release of the EIA report, dismissed the larger than expected build in crude stocks of over 2.7 million barrels as the market rallied higher to a high of \$62.92 in afternoon trading. It retraced more than 38% of its move from a high of \$66.42 to a low of \$60.40. The market later settled in a sideways trading range during the remainder of the session. The November WTI contract settled up 82 cents at \$62.55 and the December Brent contract settled up 80 cents at \$66.25. The product markets ended the session higher in light of the draws reported in product stocks, with the heating oil market settling up 2.6 cents at \$2.2913 and the RB market settling up 1.56 cents at \$1.9095.

**Technical Analysis:** The crude market will likely retrace some of its gains on the larger than expected build reported in crude stocks before it continues to trend higher after breaking out of last Thursday's trading range. The market will continue to weigh the increase in output against the expectations of lower demand as well as the geopolitical tensions in the Middle East and between Russia and Ukraine. The oil market is seen finding resistance at its high of \$62.92, \$63.26, \$63.41 and \$64.12. More distant resistance is seen at \$65.40 and \$66.42. Meanwhile, support is seen at \$62.05, \$60.72, \$60.55, \$60.40 followed by \$60.29, \$59.98, \$59.70 and \$58.49.

**Fundamental News:** U.S. crude oil stocks increased last week, while gasoline and distillate inventories fell as demand rose. Crude inventories increased by 3.7 million barrels to 420.3 million barrels in the week ending October 3<sup>rd</sup>. Total product supplied of oil and fuels increased by 1.8 million bpd to 21.99 million bpd, its highest level since December 2022. Distillate demand increased by 729,000 bpd to 4.35 million bpd. Gasoline stocks fell by 1.6 million barrels on the week to 219.1 million barrels, while distillate stockpiles fell by 2 million barrels in the week to 121.6 million barrels.

Russian Deputy Foreign Minister, Sergei Ryabkov, said that the impetus to find a Ukrainian peace deal which emerged after the summit between Russian President Vladimir Putin and U.S. President Donald Trump in August had proven to be exhausted. He also said the potential appearance of U.S. Tomahawk missiles in Ukraine would mean a 'qualitative' change in the situation. Earlier this week, U.S. President Donald Trump said that he would want to know what Ukraine planned to do with Tomahawks before agreeing to provide them because he did not want to escalate the war between Russia and Ukraine.

Separately, Andrei Kartapolov, head of the Russian parliament's defense committee, said Russia will respond harshly if the United States supplies Ukraine with Tomahawk missiles.

Russia's Deputy Prime Minister, Alexander Novak, said Russia has been gradually raising its oil production and was close last month to meeting the output quota agreed by the OPEC+ group of producers. He also said that there was no need to further restrict diesel exports and that domestic oil refineries had increased their fuel production.

### Early Market Call - as of 9:00 AM EDT

WTI - Nov \$62.62, up 32 cents

RB0B - Nov \$1.9133, up 98 points

HO - Nov \$2.3043, up 1.72 cents

## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-25	2.2913	0.0260	-0.0106
Dec-25	2.2743	0.0234	-0.0076
Jan-26	2.2655	0.0221	-0.0016
Feb-26	2.2553	0.0208	0.0011
Mar-26	2.234	0.0204	0.0047
Apr-26	2.2059	0.0182	0.0072
May-26	2.1864	0.0168	0.0084
Jun-26	2.1738	0.0154	0.0100
Jul-26	2.1738	0.0145	0.0113
Aug-26	2.1765	0.0140	0.0126
Sep-26	2.1815	0.0136	0.0136
Oct-26	2.1866	0.0135	0.0143
Nov-26	2.1886	0.0135	0.0155
Dec-26	2.1879	0.0134	0.0167
Jan-27	2.1913	0.0132	0.0177
Feb-27	2.1906	0.0127	0.0183
Mar-27	2.184	0.0122	0.0186

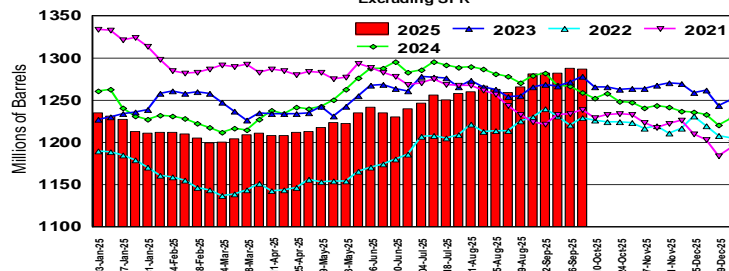
### Sprague HeatCurve October 2026-April 2027

\$1.9916

	Close	Change
Crude - WTI	\$62.0200	\$0.7000
Crude - Brent	\$66.2500	\$0.8000
Natural Gas	\$3.3330	-\$0.1650
Gasoline	\$1.9095	\$0.0156

### Total U.S. Oil Stocks

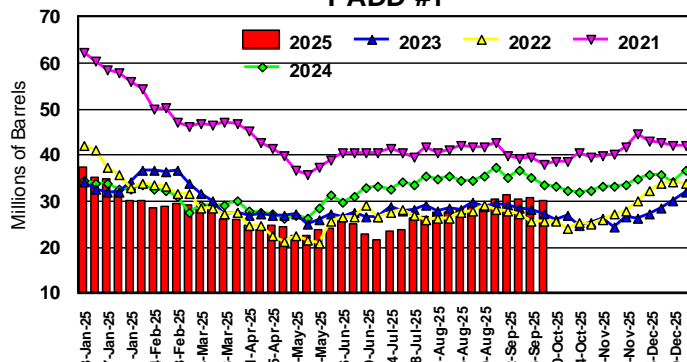
Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending October 3, 2025

### Distillate Stocks

#### PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.715 million barrels

Cushing, OK Crude Stocks Down 763,000 barrels

Gasoline Stocks Down 1.601 million barrels

Distillate Stocks Down 2.018 million barrels

Refinery % Operated 92.4%, up 1%

#### PADD #1

	Week Ending Oct 3, 2025	Week Ending Sep 26, 2025	Week Ending Oct 6, 2024
Distillate Stocks (in million bbl)			
New England	4.1	4.0	5.1
Central Atlantic	14.8	14.6	17.5
Total PADD #1	30.2	30.7	33.6
Distillate Imports (thousands b/d)	42	60	85