

Market Commentary

Recap: The oil market ended the session slightly higher after it traded mostly sideways for much of the day as traders assessed the potential trade truce between the U.S. and China. President Donald Trump agreed to cut tariffs on China to 47% from 57% in a one-year deal in exchange for China resuming U.S. soybean purchases, keeping rare earths exports flowing and cracking down on the illicit fentanyl trade. The crude market continued to gradually trade lower in overnight trading and sold off to a low of \$59.64 by mid-morning. However, the market bounced off its low and retraced its losses as it posted a high of \$60.79 in afternoon trading as the market refocused on the larger than expected draws reported by the EIA on Wednesday. The oil market traded in sideways trading range ahead of the close. The December WTI contract settled up 9 cents at \$60.57 and the December Brent contract settled up 8 cents at \$65.00. The product markets ended the session higher, with the heating oil market settling up 3.57 cents at \$2.46 and the RB market settling up 2.97 cents at \$2.0034.

Technical Analysis: The crude market will remain in its sideways trading range as the market continues to weigh the news of trade deal between the U.S. and China and continues to seek further news of the impact of the sanctions imposed on Russia's Lukoil and Rosneft. The market will also focus on the OPEC+ meeting scheduled for Sunday, when the alliance is expected to announce another 137,000 bpd supply increase for December. The oil market is seen finding support at \$59.64, \$59.28, \$58.49, \$57.34 and \$56.58. Meanwhile, resistance is seen at \$60.79, \$61.02, \$61.50, \$62.17 and \$62.59.

Fundamental News: U.S. President Donald Trump hailed a meeting with China's Xi Jinping as "amazing" and "12" on a 10-point scale, but the agreement the two leaders reached appears to be no more than a fragile truce in a trade war with root causes still unresolved. The framework announced on Thursday includes China resuming soybean purchases, suspending its rare earth export curbs for a year and the U.S. lowering tariffs on China by 10% broadly rewrites ties to the status that existed before President Trump's "Liberation Day" offensive triggered tit-for-tat escalation. President Trump said that tariffs on Chinese imports would be cut to 47% from around 57% by halving the rate of levies related to trade in fentanyl precursor chemicals to 10% from 20%. However, absent from the talks were the big issues cited by President Trump as he launched his tariffs in April, China's industrial policies, manufacturing over-capacity, and its export-led growth model. China sees this as a stepping stone to a bigger meeting where they can stabilize the relationship. The two leaders agreed to two follow-up visits next year. During the meeting, China's President Xi Jinping said China and the United States should not fall into a "vicious cycle of retaliation" against each other.

U.S. Energy Secretary Wright said Thursday the U.S. is prepared to sell more oil and natural gas to China if China reduces its purchases from Russia. Meanwhile Trump posted to social media Thursday suggesting a "very large scale transaction may take place concerning the purchase of Oil and Gas from the Great State of Alaska."

ANZ raised its three month crude oil price target to \$70/barrel. It sees the U.S. move to sanction Russian oil companies presenting a significant increase in the risks to oil supply. It expects OPEC+ to approve another 137,000 bpd increase in supply for December given the increased risks to Russian supply. It expects any impact to Russian oil exports to be relatively short-lived, capping any further upside to oil prices.

Early Market Call - as of 8:45 AM EDT

WTI - Dec \$60.73, up 44 cents
 RBOB - Nov \$2.0021, up 60 points
 HO - Nov \$2.4328, up 1.81 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-25	2.46	0.0357	0.0570
Dec-25	2.4092	0.0121	0.0352
Jan-26	2.3763	0.0081	0.0263
Feb-26	2.3482	0.0077	0.0202
Mar-26	2.3092	0.0071	0.0161
Apr-26	2.2644	0.0057	0.0125
May-26	2.2325	0.0053	0.0111
Jun-26	2.2125	0.0049	0.0111
Jul-26	2.2068	0.0050	0.0100
Aug-26	2.205	0.0051	0.0089
Sep-26	2.2069	0.0049	0.0076
Oct-26	2.2099	0.0046	0.0065
Nov-26	2.2105	0.0042	0.0060
Dec-26	2.2092	0.0039	0.0061
Jan-27	2.2114	0.0040	0.0056
Feb-27	2.2102	0.0042	0.0053
Mar-27	2.2033	0.0045	0.0052

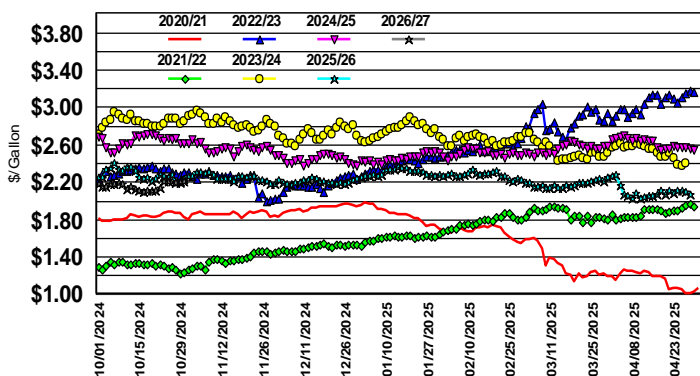
Sprague HeatCurve October 2026-April 2027		\$2.2075
	Close	Change
Crude - WTI	Dec Brent- WTI Spread	\$60.5700
Crude - Brent		\$65.0000
Natural Gas	\$4.43	\$3.9560
Gasoline		\$2.0034
		\$0.0900
		\$0.0800
		\$0.1410
		\$0.0297

EIA Working Gas Storage Report

	24-Oct-25	17-Oct-25	Change	24-Oct-24
East	913	899	14	917
Midwest	1085	1060	25	1,104
Mountain	286	282	4	291
Pacific	316	311	5	305
South Central	1282	1255	27	1,235
Salt	336	320	16	326
Nonsalt	947	935	12	908
Total	3882	3808	74	3,853

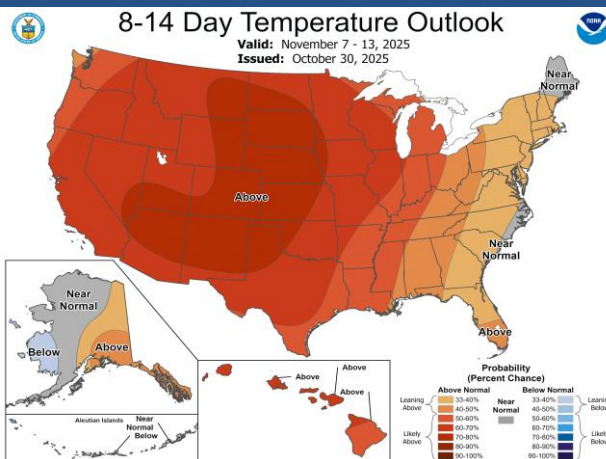
Sprague HeatCurve

Sprague HeatCurve October-April



Weather Outlook

8-14 Day Temperature Outlook



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