

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Friday traded higher, still remaining relatively sideways as it traded within Tuesday's trading range. The market was trading mostly sideways as it continued to erase some of Thursday's early gains amid the expectations of an OPEC+ output increase at its meeting on Sunday and weak economic data from China, with the country's factory activity falling for a seventh consecutive month in October. Also adding to the bearish sentiment was the expectation that Saudi Arabia may reduce its December crude prices for Asian buyers to multi-month lows. The crude market posted a low of \$59.99. However, the market bounced off that level and rallied to a high of \$61.38 amid a report by the Miami Herald stating that U.S. air strikes on Venezuela could begin within hours. The market later gave up some of its gains and settled in a sideways trading range after U.S. President Donald Trump denied the report. The December WTI contract settled up 41 cents at \$60.98 and the December Brent contract settled up 7 cents at \$65.07. The product markets ended the session in negative territory, with the heating oil market settling down 2.88 cents at \$2.4312 and the RB market settling down 1.03 cents at 1.9931.

Technical Analysis: The crude market will be driven by the headlines over the weekend following the OPEC+ meeting on Sunday. The market will also remain vigilant for reports of possible U.S. airstrikes on Venezuela despite President Trump denying the report on Friday, given that the president had previously denied reports of a planned attack on Iran before carrying out airstrikes against the country in June. The oil market is seen finding resistance at \$61.38, \$61.50, \$62.17 and \$62.59. Meanwhile, support is seen at \$59.99, \$59.64, \$59.28, \$58.49 followed by \$57.34, \$56.35 and \$55.96.

Fundamental News: The EIA reported that U.S. crude oil output in August increased by 86,000 bpd to 13.794 million bpd. It reported that U.S. crude oil exports were unchanged at 3.52 million bpd in August and total refined oil product exports fell to 3.135 million bpd in August. U.S. total oil demand in August fell by 0.5% or 101,000 bpd on the year to 20.884 million bpd. The EIA reported that U.S. gasoline demand fell by 0.5% or 45,000 bpd to 9.212 million bpd in August, while U.S. distillate demand fell by 4.8% or 186,000 bpd to 3.703 million bpd.

Baker Hughes said U.S. energy firms this week cut the number of oil and natural gas rigs operating for the first time in three weeks. The oil and gas rig count fell by four to 546 in the week ending October 31st, the lowest level since September. It said oil rigs fell by six to 414 this week, their lowest level since September, while gas rigs increased by four to 125, their highest level since August 2023.

Sources stated that OPEC+ will likely agree on Sunday to another small increase in oil output targets for December, as the group moderates its drive to regain market share amid predictions of a supply glut next year. Three sources stated that eight OPEC+ members, Saudi Arabia, Russia, the United Arab Emirates, Iraq, Kuwait, Oman, Kazakhstan and Algeria, are set to agree on Sunday to increase December output targets by another 137,000 bpd, the three sources said, all of whom declined to be named. A fourth source said a pause in output hikes was also possible.

S&P Global Commodity Insights has estimated that oil and natural gas drilling rig count fell by nine to a three week low of 582 rigs in the week ended October 22nd. Oil focused rigs declined by 4 to 460 rigs, while the number of gas focused rigs dropped by 5 to 122 rigs. Among the major gas focused plays, drillers cut Haynesville basin rig count by three, while two rigs were idled in the Marcellus shale basin.

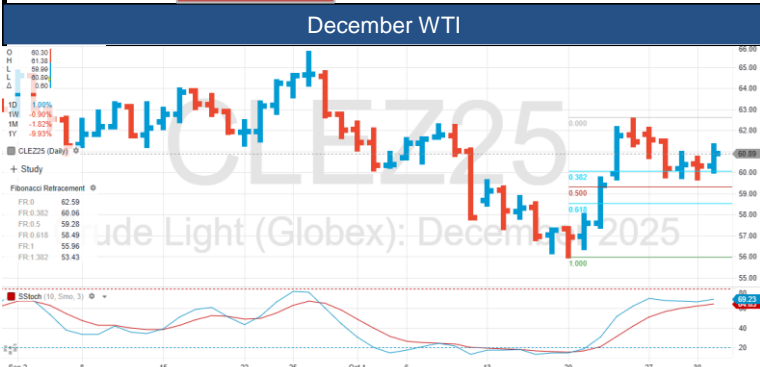
IIR Energy said U.S. oil refiners are expected to shut in about 981,000 bpd of capacity in the week ending October 31st, increasing available refining capacity by 111,000 bpd.

Early Market Call - as of 9:00 AM EDT

WTI - Dec \$60.88, down 10 cents
RBOB - Dec \$1.9003, up 16 points
HO - Dec \$2.3898, down 97 points

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-25	2.4312	-0.0288	0.0281
Dec-25	2.3986	-0.0106	0.0193
Jan-26	2.3706	-0.0057	0.0136
Feb-26	2.3456	-0.0026	0.0099
Mar-26	2.3088	-0.0004	0.0070
Apr-26	2.2644	0.0000	0.0025
May-26	2.2315	-0.0010	-0.0003
Jun-26	2.2098	-0.0027	-0.0021
Jul-26	2.2029	-0.0039	-0.0029
Aug-26	2.2003	-0.0047	-0.0036
Sep-26	2.2020	-0.0049	-0.0044
Oct-26	2.205	-0.0049	-0.0048
Nov-26	2.2056	-0.0049	-0.0045
Dec-26	2.2041	-0.0051	-0.0040
Jan-27	2.2061	-0.0053	-0.0039
Feb-27	2.2048	-0.0054	-0.0032
Mar-27	2.1978	-0.0055	-0.0025

Sprague HeatCurve October 2026-April 2027		\$2.2022
	Close	Change
Crude - WTI	\$60.9800	\$0.4100
Crude - Brent	\$65.0700	\$0.0700
Natural Gas	\$4.1240	\$0.1680
Gasoline	\$1.9931	-\$0.0103



December Heating Oil



Weather Forecast

