

Market Commentary

Recap: The oil market on Thursday traded higher, remaining in its recent trading range, on continuing concerns over supply from the Middle East amid an increase in attacks on shipping in the Strait of Hormuz. The market was also well supported by energy firms shutting in production in the Gulf as Hurricane Isaias approached. The oil market posted a low of \$88.77 in overnight trading and rallied higher. It extended its gains to over \$4.90 and retraced more than 38% of its move from a high of \$101.69 to a low of \$86.86 as it posted a high of \$93.20 by mid-day. However, the market retraced more than 62% of its earlier rally and traded back to \$90.25 after President Donald Trump said the U.S. will not attack Iran at any time prior to the mid-term elections. The crude market later once again rebounded ahead of the close. The November WTI contract settled up \$3.21 at \$91.49 and the December Brent contract settled up \$4.08 at \$104.28. The product markets ended the session sharply higher, with the heating oil market settling up 26.02 cents at \$4.8829 and the RB market settling up 8.18 cents at \$3.3160.

Technical Analysis: The oil market will continue to trend higher on Friday as it remains well supported by supply concerns in the Middle East and the output cuts in the Gulf Coast ahead of Hurricane Isaias making landfall late Friday, early Saturday as a possible Category 3 hurricane. The market is seen finding resistance at \$93.20, \$93.51, \$93.68, \$94.28, \$94.74, \$96.02, \$96.54, \$96.78 followed by \$97.22, \$98.01, \$100.61 and \$101.69. Meanwhile, support is seen at \$91.50, \$88.77, \$87.96, \$86.86, \$85.92, \$84.24, \$82.47 and \$82.17.

Fundamental News: According to the Marine Minerals Administration, U.S. Gulf of Mexico oil and gas producers have shut in about 62.89% of current oil production and 57.35% of current natural gas production as of Thursday, as operators continued to respond to Hurricane Isaias. Energy research and consultancy firm Energy Aspects estimated that about 500,000 bpd of refining capacity is in the storm's path, including the Pascagoula refinery. The region also produces an average of about 2.1 billion cubic feet per day of natural gas.

BP said on Thursday it has removed all personnel from Na Kika and Thunder Horse platforms and shut in production at both platforms as a precaution ahead of approaching Hurricane Isaias. It said it also removed non-essential personnel from our Argos, Atlantis and Mad Dog platforms. On Wednesday, Shell and Chevron they were curtailing offshore operations at their Gulf platforms due to Hurricane Isaias.

Bloomberg reported that Saudi Arabia is in talks with customers to offer oil loadings next year outside the Strait of Hormuz in long-term contracts, formalizing a system the country has been using during the Iran war as it seeks greater market share.

Iran's Foreign Minister, Abbas Araqchi, said Iran is still reviewing Washington's response to its proposal under which the Strait of Hormuz could be reopened within seven days and added that it could reply within days.

A military spokesperson for Yemen's Iran-backed Houthis on Wednesday warned workers at Saudi oil facilities to avoid sites the group considers targets and renewed threats of attacks against airlines and airports.

Bloomberg noted that while Iran's latest increase in attacks on tankers in the Strait of Hormuz should cause a decline in exports, crude shipments are nearing prewar levels and increasing freight costs are pulling tankers to the Middle East rather than driving them away.

Early Market Call - as of 8:40 AM EDT

WTI - Nov \$91.09, down 42 cents
 RBOB - Nov \$3.2920, down 2.40 cents
 HO - Nov \$4.7869, down 9.6 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-26	4.8829	0.2602	0.2409
Dec-26	4.7165	0.2399	0.2259
Jan-27	4.6038	0.2237	0.2199
Feb-27	4.4846	0.2026	0.2156
Mar-27	4.3382	0.1775	0.2034
Apr-27	4.1734	0.1489	0.1820
May-27	4.0217	0.1199	0.1650
Jun-27	3.8851	0.0923	0.1531
Jul-27	3.7972	0.0750	0.1438
Aug-27	3.7292	0.0645	0.1373
Sep-27	3.6768	0.0588	0.1323
Oct-27	3.6268	0.0541	0.1263
Nov-27	3.5666	0.0512	0.1243
Dec-27	3.4885	0.0489	0.1230
Jan-27	3.4057	0.0464	0.1195
Feb-27	3.3332	0.0421	0.1165
Mar-27	3.2677	0.0389	0.1163

Sprague HeatCurve October 2027-April 2028

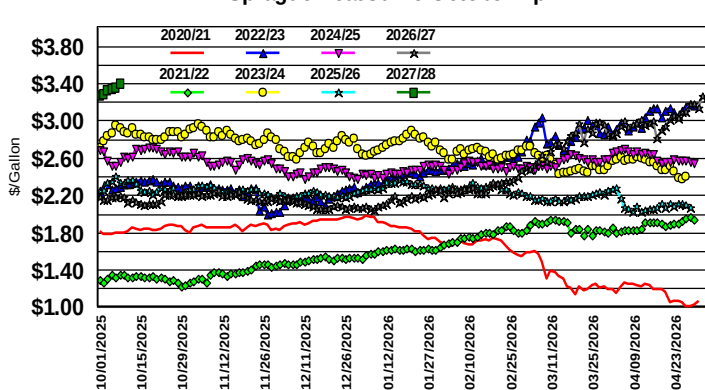
	Close	Change
Crude - WTI	\$90.7500	\$3.2000
Crude - Brent	\$104.2800	\$4.0800
Natural Gas	\$3.1680	-\$0.0350
Gasoline	\$3.3160	\$0.0818

EIA Working Gas Storage Report

	02-Oct-26	25-Sep-26	Change	02-Oct-25
East	862	840	22	856
Midwest	1010	984	26	997
Mountain	243	248	-5	274
Pacific	299	295	4	304
South Central	1076	1048	28	1,199
Salt	227	213	14	295
Nonsalt	849	834	15	904
Total	3500	3415	85	3,630

Sprague Heat Curve

Sprague HeatCurve October-April



November WTI

