

Market Commentary

Recap: The oil market on Wednesday continued to trend higher on concerns that the escalating conflict in the Middle East could impact oil supplies from the region. However, the market's gains were limited by a large build in crude stocks and as OPEC+ kept its policy unchanged, including a plan to start increasing its output by 180,000 bpd starting in December, following its online gathering. In overnight trading, the crude market was well supported and continued to trend higher following Iran's missile attack on Israel on Tuesday. The market rallied to a high of \$72.49 early in the morning. However, the market erased its gains following the release of the EIA's weekly petroleum stocks report, which showed a large build of 3.9 million barrels on the week. The crude market was further pressured by the OPEC+ decision to keep its output policy unchanged. The market posted a low of \$69.87 in afternoon trading before it settled in a sideways trading range ahead of the close. The November WTI contract settled up 27 cents at \$70.10 and the December Brent contract settled up 34 cents at \$73.90. The product markets ended the session in positive territory, with the heating oil market settling up 79 points at \$ 2.1821 and the RB market settling up 1.93 cents at \$1.9859.

Technical Analysis: The crude market on Thursday is seen remaining in a sideways trading range barring any major headlines regarding the escalating tension in the Middle East. The market is awaiting Iran's response to Iran's attack, with Israel's Prime Minister Benjamin Netanyahu vowing to strike back. The oil market is seen finding support at its low of \$69.87, \$69.48, \$68.55, \$67.62, \$66.33, \$64.99 and \$64.61. Meanwhile, resistance is seen at \$72.49, \$72.55, \$73.55 followed by \$75.31, \$75.51, \$76.21 and \$76.40.

Fundamental News: The Israeli military said that regular infantry and armored units were joining ground operations in southern Lebanon, stepping up pressure on Hezbollah, as Israel prepared to retaliate against Iran's missile strikes. Israel is increasing its presence in south Lebanon in its conflict with Hezbollah a day after it was attacked by Iran, raising fears the Middle East could be engulfed in a wider conflict. Iran said Tuesday's assault on Israel was solely aimed at military facilities and was a response to Israeli killings of militant leaders including Hezbollah chief Hassan Nasrallah and aggression in Lebanon against the group and in Gaza. On Wednesday, Iran said its missile attack on Israel, its biggest military assault on the country, was over, barring further provocation, while Israel and the United States promised to strike back.

Israel, backed by the U.S. and Iran threatened each other with retaliation if attacked as the U.N. Security Council met amid fears of a broader war in the Middle East. The United States warned Iran at the United Nations Security Council on Wednesday against targeting it or Israel as U.N. Secretary-General Antonio Guterres said the "deadly cycle of tit-for-tat violence must stop" in the Middle East. The Secretary General told the council he strongly condemned Iran's attack on Israel.

A meeting of top OPEC+ ministers has kept oil output policy unchanged including a plan to start increasing output from December, while also emphasizing the need for some members to make further cuts to compensate for overproduction. A statement following the Joint Ministerial Monitoring Committee meeting did not announce any alterations. The group plans a 180,000 bpd increase in December as part of a gradual unwinding of its most recent layer of voluntary cuts extending into 2025. The increase was delayed from October after prices fell. Ministers are scheduled to gather on December 1st to review policy for next year.

The Wall Street Journal reported that Saudi Arabia's Oil Minister, Prince Abdulaziz bin Salman, has said oil prices could fall to as low as \$50/barrel if OPEC+ members do not stick to agreed-upon production limits. Separately, OPEC said in a statement that The Wall Street Journal article was "wholly inaccurate and misleading."

Early Market Call - as of 8:35 AM EDT

WTI - Nov \$71.51, up \$1.41

RBOB - Nov \$2.0233, up 3.74 cents

HO - Nov \$2.2199, up 3.82 cents

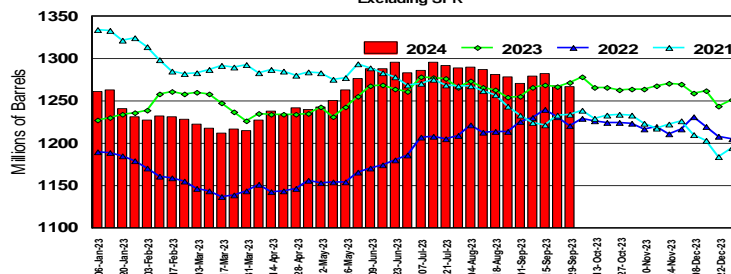
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.1821	0.0079	0.0052
Dec-24	2.1964	0.0095	0.0089
Jan-25	2.2074	0.0094	0.0096
Feb-25	2.2115	0.0098	0.0106
Mar-25	2.2060	0.0098	0.0102
Apr-25	2.1988	0.0101	0.0115
May-25	2.1970	0.0091	0.0113
Jun-25	2.1991	0.0074	0.0110
Jul-25	2.2089	0.0068	0.0111
Aug-25	2.2187	0.0064	0.0113
Sep-25	2.2288	0.0062	0.0115
Oct-25	2.2391	0.0061	0.0122
Nov-25	2.2453	0.0061	0.0136
Dec-25	2.2490	0.0064	0.0153
Jan-26	2.2547	0.0065	0.0167
Feb-26	2.2531	0.0065	0.0173
Mar-26	2.2456	0.0062	0.0169

Sprague HeatCurve October 2024-April 2025 \$2.2480

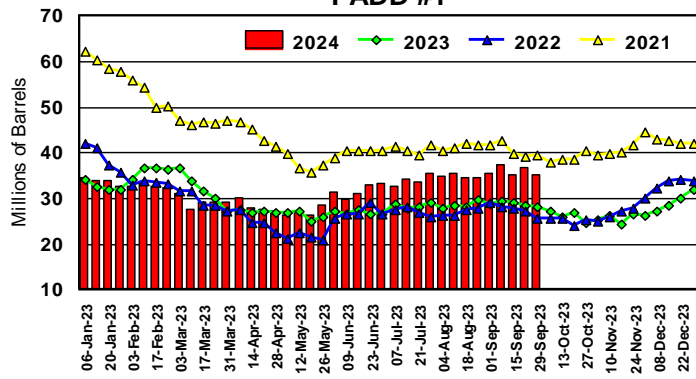
		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$4.21	\$69.6900	\$0.3000
Crude - Brent		\$73.9000	\$0.3400
Natural Gas		\$2.8860	-\$0.0100
Gasoline		\$1.9859	\$0.0193

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending September 27, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.889 million barrels

Cushing, OK Crude Stocks Up 840,000 barrels

Gasoline Stocks Up 1.119 million barrels

Distillate Stocks Down 1.284 million barrels

Refinery % Operated 87.6%, down 2.3%

PADD #1

	Week Ending Sept. 27, 2024	Week Ending Sept. 20, 2024	Week Ending Sept. 28, 2023
Distillate Stocks (in million bbl)			
New England	5.0	5.2	3.2
Central Atlantic	18.3	18.9	14.0
Total PADD #1	35.0	36.7	28.2
Distillate Imports (thousands b/d)	124	85	78