

## Market Commentary

**Recap:** The oil market continued to rally on Friday amid concerns of a wider Middle East conflict disrupting oil supplies. The market traded higher in follow through strength seen on Thursday after U.S. President Joe Biden suggested that the U.S. was discussing an Israeli attack on Iranian oil facilities. The market was well supported by fears that Israel may target Iranian oil infrastructure and cause further retaliation and drag neighboring countries into the conflict. The oil market traded mostly sideways, posting a low of \$73.46 early in the morning before it rallied higher throughout the session. It rallied to a high of \$75.57 ahead of the close. The November WTI contract settled up 67 cents at \$74.38 and the December Brent contract settled up 43 cents at \$78.05. The product markets settled higher, with the heating oil market settling up 1.8 cents at \$2.3127 and the RB market settling up 32 points at \$2.0958.

**Technical Analysis:** The crude market will remain driven by headlines over the weekend as the market awaits the Israeli response to Iran's missile attack. The market is seen finding resistance at \$75.57, \$76.21, \$76.40 followed by \$77.31 and \$77.45. Meanwhile, support is seen at \$73.46, \$72.04, \$70.95, \$70.52, \$69.86 and \$66.33.

**Fundamental News:** On Thursday, U.S. President Joe Biden said he will not negotiate in public when asked if he had urged Israel not to attack Iran's oil facilities. Israel has been weighing options to respond to Tehran's ballistic missile attack on Tuesday. A U.S. official later said Washington does not believe Israel has decided yet how to respond to Iran.

Israeli strikes sealed off Lebanon's main border crossing with Syria early on Friday, hours after an intense Israeli attack on Beirut's southern suburbs that is thought to have targeted Hashem Safieddine, the heir apparent to Hezbollah's assassinated leader Hassan Nasrallah. The strikes added to fears inside Lebanon that Israel's targeting of Iran-backed Lebanese Hezbollah militants will bring an all-out conflict, with Israel also poised to respond to Tuesday's Iranian missile attack on its territory.

Iran's Supreme Leader Ayatollah Ali Khamenei said that Iran and its regional proxies will not back down from Israel. Separately, the semi-official Iranian news agency SNN quoted Revolutionary Guards deputy commander Ali Fadavi as saying that Iran will target Israeli energy and gas installations if Israel attacks it.

Monitoring service TankerTrackers.com said Iran has vacated very large crude carriers from the Kharg Island oil loading terminal, a possible sign that the country is preparing for an attack.

ING's head of commodities strategy, Warren Patterson, said oil prices could rally to record highs if the Israel-Iran conflict ends up affecting the Strait of Hormuz and Persian Gulf flows. He said almost a third of global seaborne oil trade transits through the waterway. He said any severe disruption would leave the region with 14 million bpd of oil supply at risk.

Barrons reported that the U.S. could see higher gasoline prices as the escalation of the conflict between Israel and Iran impacts the oil market. However, how much depends on whether Israel attacks Iranian oil facilities and how Iran counters such an attack. Analysts expect the increase in gasoline futures prices to add a few cents per gallon to the prices at the pump in the next few days. However, gasoline prices are at the lowest level since February and inventories are high enough to more than meet the reduced demand, so prices could quickly reverse. The global head of energy analysis at OPIS, Tom Kloza, said that if the geopolitical turmoil eases quickly, gasoline prices could fall below \$3/gallon nationally before the end of the year.

**Early Market Call - as of 8:30 AM EDT**

WTI - Nov \$75.58, up \$1.20

RBOB - Nov \$2.1193, up 2.35 cents

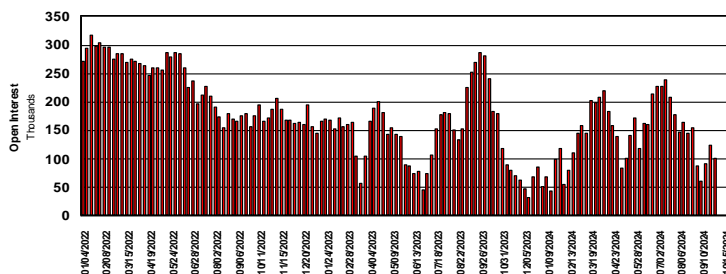
HO - Nov \$2.3407, up 2.80 cents

## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-24	2.3127	0.0180	0.1614
Dec-24	2.3256	0.0206	0.1665
Jan-25	2.3359	0.0220	0.1683
Feb-25	2.3382	0.0222	0.1687
Mar-25	2.3293	0.0214	0.1658
Apr-25	2.3197	0.0215	0.1648
May-25	2.3138	0.0207	0.1605
Jun-25	2.3098	0.0188	0.1525
Jul-25	2.3155	0.0173	0.1479
Aug-25	2.3221	0.0163	0.1445
Sep-25	2.3302	0.0164	0.1427
Oct-25	2.3386	0.0163	0.1408
Nov-25	2.3436	0.0164	0.1397
Dec-25	2.3461	0.0162	0.1387
Jan-26	2.3499	0.0155	0.1369
Feb-26	2.3460	0.0145	0.1340
Mar-26	2.3345	0.0125	0.1284

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Dec Brent-WTI Spread \$4.37	\$73.6800	\$0.5100
Crude - Brent		\$78.0500	\$0.4300
Natural Gas		\$2.8540	-\$0.1160
Gasoline		\$2.0958	\$0.0032

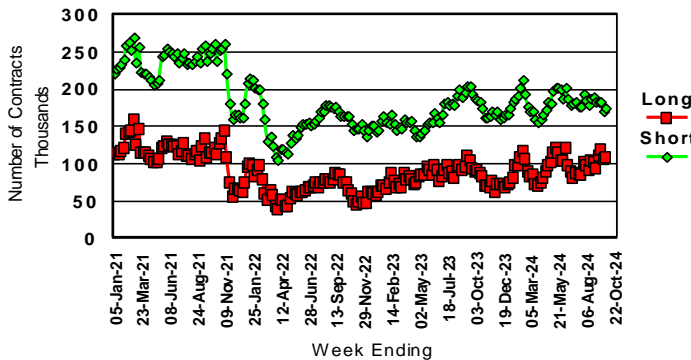
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending October 1, 2024

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

