

Market Commentary

Recap: The crude market on Monday continued to add to the previous week's gains with the conflict in the Middle East continuing to drive the market higher. The market posted a low of \$73.62 soon after it opened before it bounced off that level and never looked back as the market weighed the threat of a broader conflict in the Middle East on the first anniversary of Hamas' October 7th attacks against Israel, which led to its retaliation in Gaza. The oil market extended its gains to over 3.8% as it traded to \$77.22 by mid-day. The market later erased some of its gains and settled in a sideways trading range ahead of the close. The November WTI contract settled up \$2.76 at \$77.14 before it rallied to a high of \$77.40 in the post settlement period. Meanwhile, the Brent market traded over the \$80 level for the first time since August, posting a high of \$81.08. The December Brent contract settled up \$2.88 at \$80.93. The product markets remained well supported as well, with the heating oil market settling up 8.35 cents at \$2.3962 and the RB market settling up 5.8 cents at \$2.1538.

Technical Analysis: The market's momentum remains skewed to the upside as the market continues to await Israel's response to last week's Iranian missile attack. While the market may see some retracement of its recent sharp gains, it will remain well supported by the concerns that a strike on Iranian oil facilities could lead to supply disruptions. The market is seen finding resistance at its high of \$77.40, \$77.60, \$78.16, \$79.10 and \$80.16. Meanwhile, support is seen at its low of \$76.58, \$74.98, \$73.62, \$73.46, \$72.51, \$71.01, \$70.52, \$69.87 and \$69.50.

Fundamental News: On Monday, Hamas' armed wing attacked Israel's Tel Aviv with a missile salvo. The Israeli military said sirens were sounded in central Israel. Meanwhile, Hezbollah rockets hit Israel's third largest city Haifa early on Monday as the country looked poised to expand ground incursions into southern Lebanon on the first anniversary of the Gaza War. The growing conflict has raised fears that the United States and Iran will be sucked into a wider war in the oil-producing Middle East. Israel's military, in a statement, said five rockets were launched at Haifa from Lebanon. It said 15 other rockets were fired inland at Tiberias in Israel's northern Galilee region, some of them intercepted.

Chevron said all personnel from its Blind Faith platform in the Gulf of Mexico have been transported and the facility has been shut in ahead of Hurricane Milton. It said production from its other Gulf of Mexico assets remain at normal levels.

IIR Energy reported that U.S. oil refiners are expected to shut in about 873,000 bpd of capacity offline in the week ending October 11th, increasing available refining capacity by 383,000 bpd. Offline capacity is expected to fall to 795,000 bpd in the week ending October 18th.

Energy giant Shell warned Monday it expects to post a sharp drop in its refining margins for the third quarter of 2024 as a result of a slump in global demand for refined products. It sees its refining margin of just \$5.5 per barrel down from \$7.70 per barrel in the second quarter. Shell noted its downward revision was the result of a slowdown in China's economy and a slump in the European industrial sector as well as increased supply of products coming out of the Middle East as new refineries come online.

Sable Offshore said it was expecting to restart the Santa Ynez oil and gas pipeline off California's coast by the end of the year after it was shut for nearly a decade following a major oil leak. However, the company cautioned that there was no assurance it would obtain the necessary permits to restart the pipeline. The Santa Ynez unit includes three offshore oil platforms, an onshore processing facility and a pipeline off the coast of California, connecting the Santa Barbara Channel to the Las Flores Canyon liquids storage terminal.

Early Market Call - as of 8:50 AM EDT

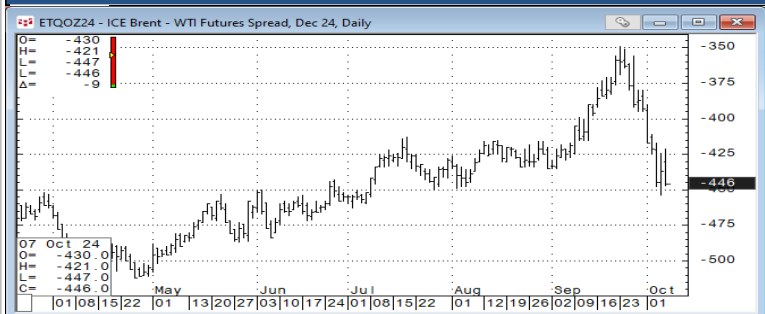
WTI - Nov \$75.76, down \$1.38
 RBOB - Nov \$2.1182, down 3.56 cents
 HO - Nov \$2.3500, down 4.60 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.3962	0.0835	0.2418
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

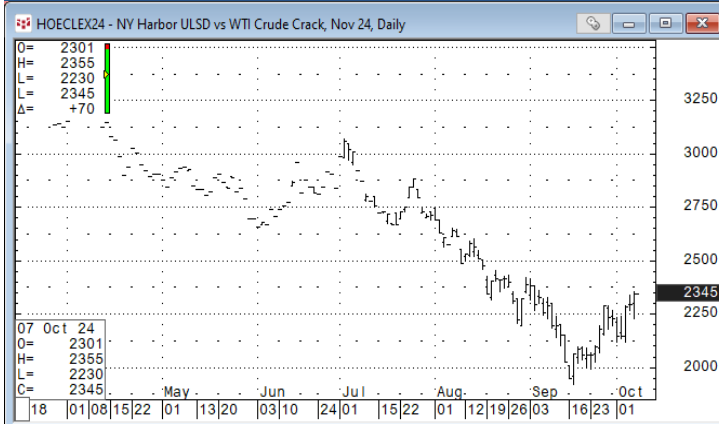
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$4.46	\$76.4700	\$2.7900
Crude - Brent		\$80.9300	\$2.8800
Natural Gas		\$2.7460	\$0.1080
Gasoline		\$2.1538	\$0.0580

ICE December Brent-WTI Spread

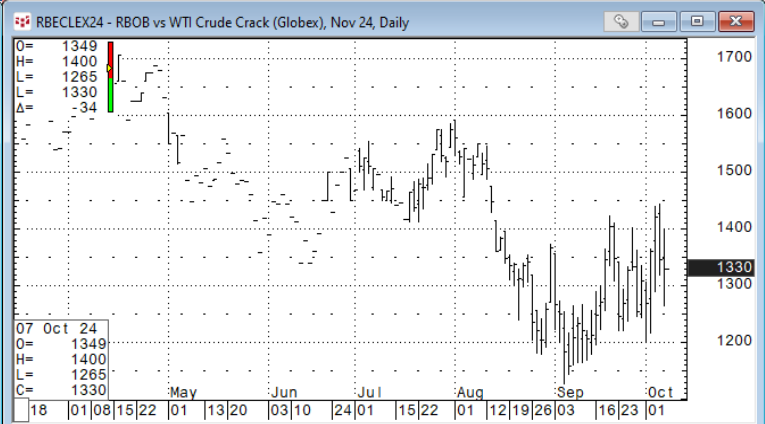


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November Heating Oil Crack Spread



November RBOB Crack Spread



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