

Market Commentary

Recap: The oil market on Monday continued to trade within Thursday's trading range as it gave up some of last week's gains. The market was pressured by news that China's oil imports fell for a fifth consecutive month from a year ago, increasing concerns over fuel demand as OPEC cut its 2024 and 2025 global oil demand growth forecast. China's crude oil imports in the first nine months of the year fell by nearly 3% on the year to 10.99 million bpd. OPEC cut its forecast for global oil demand in 2024 and cut its projection for next year, with China accounting for most of the 2024 downgrade. The market was also pressured as China's stimulus plan announced over the weekend failed to inspire investor confidence in the country's economic recovery. Another factor impacting the oil market was a report by Capital Economics, which stated that the possibility that Saudi Arabia will increase its oil production has increased in recent weeks. The oil market posted the day's trading range in overnight trading, posting a high of \$75.08 on the opening and trading to a low of \$73.41 amid the bearish news. In choppy trading, the market later bounced off its low and held resistance at its high as it traded back towards its low later in the session. The November WTI contract settled down \$1.73 at \$73.83 and the December Brent contract settled down \$1.58 at \$77.46. The product markets ended in negative territory, with the heating oil market settling down 6.97 cents at \$2.2742 and the RB market settling down 4.3 cents at \$2.1086.

Technical Analysis: The crude market is seen continuing on its sideways trading pattern, with stochastics trending sideways. While the market traded lower on some bearish news, the market is still awaiting for Israel's response to Iran's missile attack. The market's losses will be limited as the market waits for news regarding the escalating tension in the Middle East. The market's direction will be dependent on how Israel responds. The market is seen finding support at its low of \$73.41, \$73.26, \$73.17, \$71.53, \$70.52, \$69.87 and \$66.33. Meanwhile, resistance is seen at \$75.08, \$76.04, \$76.24, \$78.46, \$79.08, \$79.69 and \$80.00.

Fundamental News: The Red Cross said Israel expanded its targets in its war with Hezbollah militants in Lebanon on Monday, killing at least 18 people in an airstrike in the north, while millions of Israelis took shelter from projectiles fired back across the border. Israel ordered residents of 25 villages in southern Lebanon to evacuate to areas north of the Awali River, which flows 35 miles north of the Israeli frontier. The Israeli military said it had killed Muhammad Kamel Naim, commander of the anti-tank missile unit of Hezbollah's elite Radwan Force, in a strike in the Nabatieh area of south Lebanon. The operations come amid tensions between Israel and the U.N. peacekeeping force UNIFIL in south Lebanon, as Israel keeps pushing forces through the area in an attempt to wipe out Hezbollah and its military infrastructure while it also fights Hamas in Gaza. The U.N. said Israeli tanks had burst into its base on Sunday, the latest allegations of Israeli violations against peacekeeping forces. Meanwhile, the entire Middle East remains on high alert for Israel to retaliate against Iran for an October 1st missile attack launched in response to Israel's assaults on Lebanon. On Sunday, the Pentagon said it would send U.S. troops to Israel along with an advanced U.S. anti-missile system.

OPEC cut its forecast for global oil demand growth in 2024 reflecting data received so far this year and also lowered its projection for next year, marking the producer group's third consecutive downward revision. In its monthly report, OPEC said world oil demand will increase by 1.93 million bpd in 2024, down from growth of 2.03 million bpd it expected last month. OPEC said China accounted for the bulk of the 2024 downgrade as OPEC trimmed its Chinese growth forecast to 580,000 bpd from 650,000 bpd. While government stimulus measures will support fourth-quarter demand, oil use is facing headwinds from economic challenges and moves towards cleaner fuels. OPEC also cut its 2025 global demand growth estimate to 1.64 million bpd from 1.74 million bpd. production.

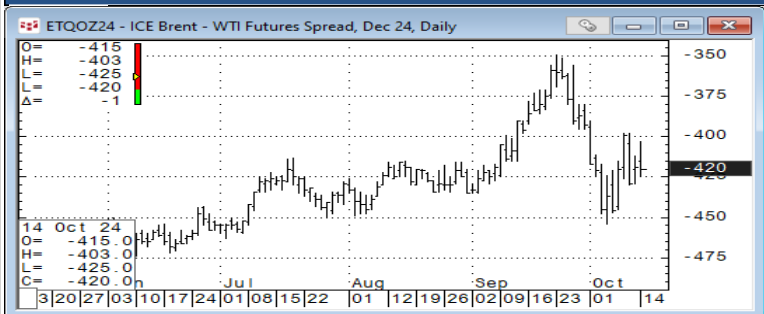
Early Market Call - as of 8:50 AM EDT
WTI - Nov \$70.73, down \$3.10
RBOB - Nov \$2.0316, down 7.7 cents
HO - Nov \$2.2000, down 7.42 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-24	2.2742	-0.0697	-0.1220
Dec-24	2.2873	-0.0679	-0.1193
Jan-25	2.2974	-0.0656	-0.1180
Feb-25	2.3026	-0.0623	-0.1151
Mar-25	2.2961	-0.0591	-0.1120
Apr-25	2.2860	-0.0569	-0.1105
May-25	2.2802	-0.0551	-0.1085
Jun-25	2.2773	-0.0537	-0.1055
Jul-25	2.2850	-0.0518	-0.1014
Aug-25	2.2935	-0.0497	-0.0975
Sep-25	2.3029	-0.0478	-0.0942
Oct-25	2.3125	-0.0458	-0.0920
Nov-25	2.3184	-0.0444	-0.0907
Dec-25	2.3216	-0.0440	-0.0898
Jan-26	2.3253	-0.0435	-0.0892
Feb-26	2.3217	-0.0427	-0.0878
Mar-26	2.3114	-0.0418	-0.0859

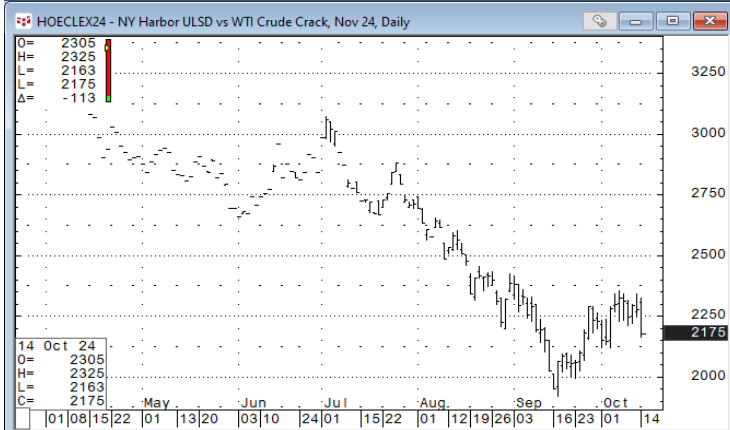
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Dec Brent-WTI Spread \$4.22	\$73.2400	-\$1.6100
Crude - Brent		\$77.4600	-\$1.5800
Natural Gas		\$2.4940	-\$0.1380
Gasoline		\$2.1086	-\$0.0430

ICE December Brent-WTI Spread

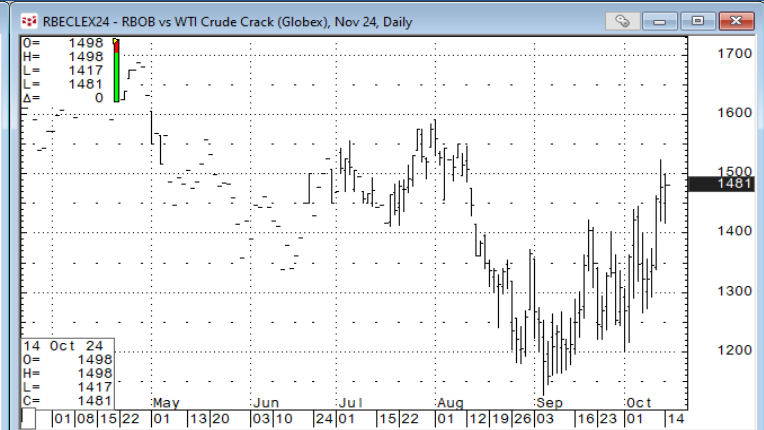


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November Heating Oil Crack Spread



November RBOB Crack Spread



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