

## Market Commentary

**Recap:** The oil market posted an outside trading day as the market weighed the continuing heightened geopolitical tensions in the Middle East and economic data showing China's economic growth slowed in the third quarter. The oil market continued to retrace some of Thursday's losses and breached its previous high of \$71.11 as it traded to a high of \$71.23 in overnight trading. However, the market sold off to a low of \$68.69 by mid-day in light of economic data showing that China's economy in the third quarter grew at the slowest pace since early 2023. The market was also pressured as President Joe Biden said there was an opportunity to deal with Israel and Iran in a way that potentially ends their conflict in the Middle East for a while. The market later bounced off its low and settled in a sideways trading range from \$69-\$70 ahead of the close. The November WTI contract ended the session down \$1.45 at \$69.22 and the December Brent contract settled down \$1.39 at \$73.06. The product markets also ended the session in negative territory, with the heating oil market settling down 4.23 cents at \$2.1522 and the RB market settling down 4.48 cents at \$2.002.

**Technical Analysis:** The crude market will be driven by any news over the weekend regarding the tension in the Middle East as the market continues to await Israel's response to the Iranian missile attack. The market is seen finding support at its low of \$68.69, \$67.94, \$66.33, \$64.99 and \$64.61. Meanwhile, resistance is seen at \$70.00, its high of \$71.23, \$71.31, \$72.12, \$73.05, \$74.08 and \$75.12.

**Fundamental News:** UBS forecast Brent crude will trade at \$87/barrel in June 2025.

Pledges from Israel and its enemies Hamas and Hezbollah to keep fighting in Gaza and Lebanon lessened hopes that the death of Palestinian militant leader Yahya Sinwar may hasten an end to more than a year of escalating war in the Middle East. Iran also said Sinwar's death would only fuel "the spirit of resistance". Israeli Prime Minister Benjamin Netanyahu called his killing a milestone but vowed to keep fighting. Meanwhile, Hamas said hostages would only be released with a halt of hostilities in Gaza, an Israeli withdrawal and the release of its prisoners. That rhetoric contrasted with Western leaders, including U.S. President Joe Biden, who said Sinwar's death offered a chance for negotiations.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for the fourth time in five weeks. The oil and gas rig count fell by one to 585 in the week ending October 18<sup>th</sup>.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.01 million bpd of capacity in the week ending October 18<sup>th</sup>, raising available refining capacity by 77,000 bpd.

Bloomberg reported that an oil terminal Iran built to bypass the Strait of Hormuz appears to have partially filled with crude, offering Iran an alternative to export its oil without using the waterway. An image from the Sentinel Hub website showed the Jask oil terminal was about half filled late last month and by mid-October, another of its tanks appeared to have been filled. The terminal is important because Iran has threatened to close the Strait of Hormuz multiple times, something that could affect its own oil flow and that of other producers in the Middle East. However, even when the terminal is fully operational, it is not expected to substitute Kharg Island as the country's main oil outlet. The facility is expected to have a capacity to load 1 million bpd of crude oil and the ability to hold 20 times that much in tanks ready for shipment. However, it currently had just one of three planned loading buoys installed.

**Early Market Call - as of 8:40 AM EDT**

WTI - Nov \$70.58, up \$1.36

RBOB - Nov \$2.0320, up 3 cents

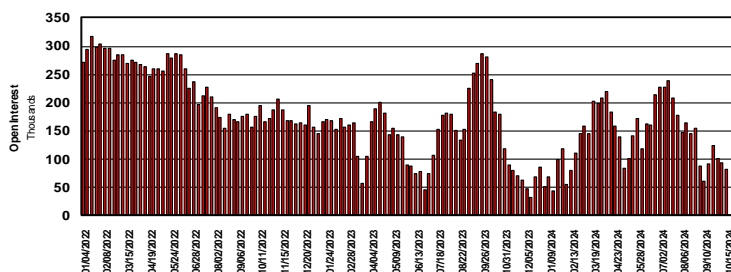
HO - Nov \$2.1806, up 2.84 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.1522	-0.0423	-0.1917
Dec-24	2.1620	-0.0427	-0.1932
Jan-25	2.1715	-0.0418	-0.1915
Feb-25	2.1764	-0.0417	-0.1885
Mar-25	2.1715	-0.0413	-0.1837
Apr-25	2.1629	-0.0405	-0.1800
May-25	2.1595	-0.0393	-0.1758
Jun-25	2.1600	-0.0377	-0.1710
Jul-25	2.1700	-0.0367	-0.1668
Aug-25	2.1805	-0.0360	-0.1627
Sep-25	2.1914	-0.0356	-0.1593
Oct-25	2.2015	-0.0351	-0.1568
Nov-25	2.2076	-0.0346	-0.1552
Dec-25	2.2116	-0.0338	-0.1540
Jan-26	2.2175	-0.0334	-0.1513
Feb-26	2.2171	-0.0330	-0.1473
Mar-26	2.2094	-0.0325	-0.1438

Sprague HeatCurve October 2025-April 2026		\$2.2111
	Close	Change
Crude - WTI	\$68.6900	-\$1.4000
Crude - Brent	\$73.0600	-\$1.3900
Natural Gas	\$2.2580	-\$0.0890
Gasoline	\$2.0020	-\$0.0448

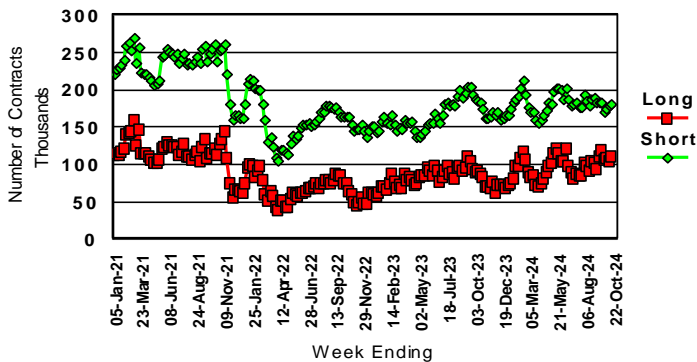
WTI Futures & Options: NYMEX & ICE Combined  
Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending October 15, 2024

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

