

Market Commentary

Recap: The oil market posted an inside trading day on Monday as it retraced some of the previous week's losses amid the continuing geopolitical tension in the Middle East. The market remains concerned over the expectation of an Israeli retaliatory attack on Iran. The market posted a low of \$69.00 in overnight trading before it bounced off its low and retraced most of Friday's losses amid escalated fighting in the Middle East, with Israel stepping up its operations against Palestinian militants in the Gaza Strip and carrying out targeted strikes on sites belonging to Hezbollah's financial arm in Lebanon. The crude market rallied to a high of \$71.03 in afternoon trading. The November WTI contract erased some of its gains ahead of the close and settled up \$1.34 at \$70.56. The December Brent contract settled up \$1.23 at \$74.29. Meanwhile, the product markets ended the session in higher territory, with the heating oil market settling up 3.11 cents at \$2.1833 and the RB market settling up 1.27 cents at \$2.0147.

Technical Analysis: While the crude market is technically seen trending lower, the crude market's losses are seen limited as long as the market continues to await Israel's response to the Iranian missile attack. The market is also seen trending sideways ahead of the weekly petroleum stocks reports due late Tuesday and Wednesday morning, which are expected to show a small build in crude stocks and draws in product stocks. The market is seen finding support at its low of \$69.00, \$68.69, \$68.05, \$66.33, \$64.99 and \$64.61. Meanwhile, resistance is seen at \$71.03, \$71.23, \$71.31, \$72.12, \$73.05, \$74.08 and \$75.12.

Fundamental News: The head of the IEA, Fatih Birol, said China's oil demand growth is expected to remain weak in 2025 despite recent stimulus measures from China as the country electrifies its car fleet and the economy grows at a slower pace. The IEA Executive Director said China, which has accounted for more than 60% of global oil demand growth in the last decade when its economy grew at 6.1% on average, is slowing down. He said Chinese oil demand would have been flat this year if not for petrochemicals. He added that another factor capping oil prices is the increase of supply from non-OPEC producers, the U.S., Canada, Brazil and Guyana, which is higher than global oil demand growth.

Axios reported, citing two U.S. officials and two Israeli officials, that Israel gave the United States a document last week with its conditions for a diplomatic solution to end the war in Lebanon. It reported that Israel has demanded its IDF forces be allowed to engage in "active enforcement" to make sure Hezbollah doesn't rearm and rebuild its military infrastructure close to the border. Israel also demanded its air force have freedom of operation in Lebanese air space. A U.S. official told Axios it was highly unlikely that Lebanon and the international community would agree to Israel's conditions.

The State Department said U.S. Secretary of State Antony Blinken will make another push for a ceasefire when he heads to the Middle East on Monday, seeking to begin negotiations to end the Gaza war and also defuse the spillover conflict in Lebanon. It said the U.S. Secretary of State will discuss with regional leaders the importance of ending the war in Gaza, ways to create a post-conflict plan for the Palestinian enclave, and how to reach a diplomatic solution to the conflict between Israel and Hezbollah.

IIR Energy said U.S. oil refiners are expected to have about 819,000 barrels per day of capacity offline in the week ending Oct. 25, raising available refining capacity by 192,000 bpd. Offline capacity is expected to fall to 599,000 bpd in the week ending November 1st.

Early Market Call - as of 8:10 AM EDT

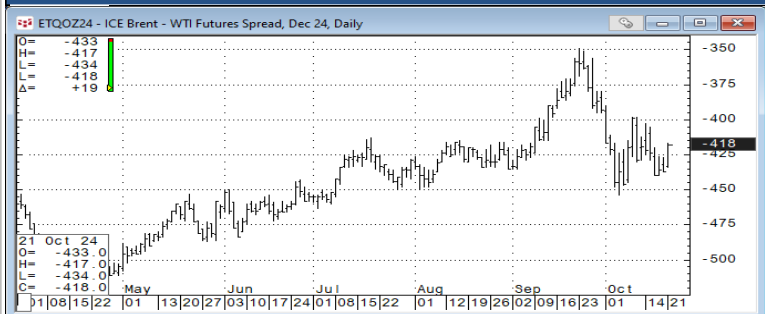
WTI - Nov \$71.17, up 61 cents
 RBOB - Nov \$2.0371, up 2.24 cents
 HO - Nov \$2.2053, up 2.2 cents

All NYMEX | Prior Settlements

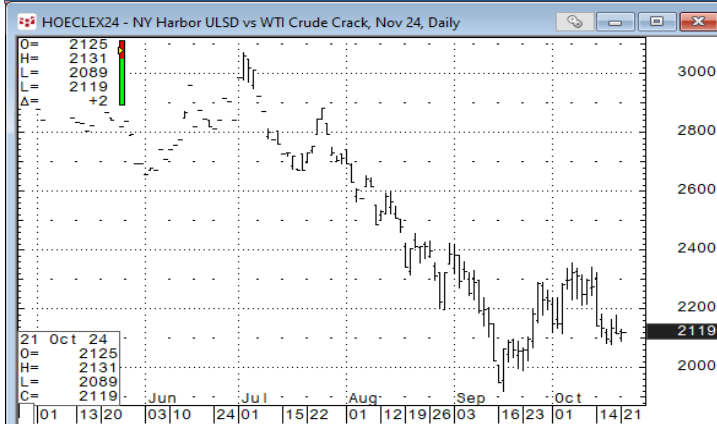
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.1833	0.0311	-0.0909
Dec-24	2.1948	0.0328	-0.0925
Jan-25	2.2042	0.0327	-0.0932
Feb-25	2.2086	0.0322	-0.0940
Mar-25	2.2040	0.0325	-0.0921
Apr-25	2.1957	0.0328	-0.0903
May-25	2.1920	0.0325	-0.0882
Jun-25	2.1917	0.0317	-0.0856
Jul-25	2.2008	0.0308	-0.0842
Aug-25	2.2106	0.0301	-0.0829
Sep-25	2.2209	0.0295	-0.0820
Oct-25	2.2305	0.0290	-0.0820
Nov-25	2.2360	0.0284	-0.0824
Dec-25	2.2393	0.0277	-0.0823
Jan-26	2.2448	0.0273	-0.0805
Feb-26	2.2440	0.0269	-0.0777
Mar-26	2.2361	0.0267	-0.0753

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Dec Brent-	\$70.0400	\$1.3500
Crude - Brent	WTI Spread	\$74.2900	\$1.2300
Natural Gas	\$4.25	\$2.3120	\$0.0540
Gasoline		\$2.0147	\$0.0127

ICE December Brent-WTI Spread



November Heating Oil Crack Spread



November RBOB Crack Spread

