

Market Commentary

Recap: The oil market retraced some of its previous losses following reports that OPEC+ may delay a planned output increase and the unexpected draw in crude and gasoline stocks. The crude market posted a low of \$67.28 in overnight trading and never looked back. The market was well supported by the news that OPEC could delay a planned oil production increase of 180,000 bpd in December by a month or more because of concern over low demand and increasing supply. The market was further supported in light of the EIA's weekly petroleum stock report showing an unexpected draw in crude stocks of 515,000 barrels and a large draw in gasoline stocks of over 2.7 million barrels on the week. The crude market partially backfilled Monday's opening gap as it posted a high of \$69.14 by mid-day. The market later settled in a sideways trading range during the remainder of the session. The December WTI contract settled up \$1.40 at \$68.61 and the December Brent contract settled up \$1.43 at \$72.55. The product markets ended the session sharply higher following the inventory report, with the heating oil market settling up 5.39 cents at \$2.1876 and the RB market settling up 4.39 cents at \$1.9957.

Technical Analysis: The oil market is seen trading sideways on Thursday as the market weighs the possibility that OPEC+ may delay its output increase and the draws in inventories and the news that talks are underway to end the fighting between Israel and Hezbollah in Lebanon. The market is seen finding resistance at its remaining gap from \$69.14 to \$69.96, \$70.91, \$71.92, \$72.21, \$72.34 and \$73.51. Meanwhile, support is seen at \$68.67, \$67.28, \$66.72 followed by \$65.99, \$64.49 and \$64.16

Fundamental News: The EIA said U.S. gasoline stockpiles fell unexpectedly last week to a two-year low on strengthened demand, while crude inventories also posted a surprise drawdown as imports fell. Gasoline stocks fell by 2.7 million barrels in the week ending October 25th to 210.9 million barrels, their lowest since November 2021. Gasoline supplied, increased to 9.2 million bpd from 8.8 million bpd a week earlier and marked its highest level since the week ending October 4th. Crude stocks fell by 515,000 barrels to 425.5 million barrels, compared with expectations for a 2.3 million barrel increase.

Axios reported that U.S. President Joe Biden's senior advisers Amos Hochstein and Brett McGurk will arrive in Israel on Thursday to try to close a deal that would end the war in Lebanon. According to Axios, Israeli and U.S. officials said a deal that would end the fighting between Israel and Hezbollah could be achieved within a few weeks. The President Biden's advisers are expected to meet with Israeli Prime Minister Netanyahu, Defense Minister Yoav Gallant and Minister for Strategic Affairs Ron Dermer.

Separately, two sources stated that U.S. mediators are working on a proposal to wind down hostilities between Israel's military and Lebanese armed group Hezbollah, beginning with a 60-day ceasefire. The sources said the two-month period would be used to finalize full implementation of United Nations Security Council Resolution 1701, adopted in 2006 to keep southern Lebanon free of arms that do not belong to the Lebanese state.

Three sources said OPEC+ could delay a planned increase in oil production scheduled to take effect in December by a month or more, citing concern about soft oil demand and increasing supply. The planned 180,000 bpd hike in December, which is scheduled to come from the eight OPEC+ members who have been making the group's most recent layer of output cuts, was already delayed from October amid falling prices. A decision to postpone the hike could come as early as next week. OPEC+ is scheduled to meet on December 1st to decide its next policy steps.

IIR Energy reported that U.S. oil refiners are expected to shut in about 670,000 bpd of capacity offline in the week ending November 1st, raising available refining capacity by 198,000 bpd. Offline capacity is expected to fall to 554,000 bpd in the week ending November 8th.

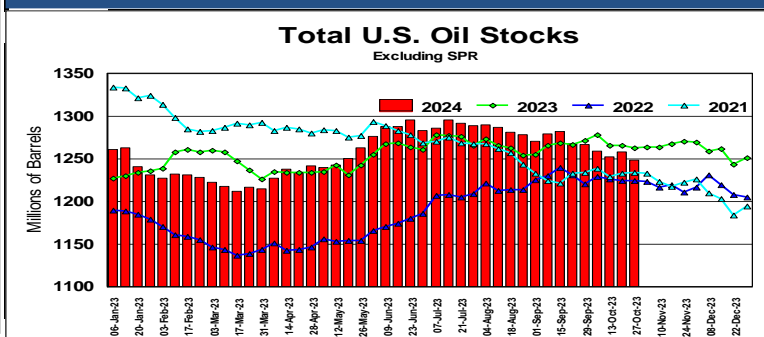
Early Market Call - as of 8:35 AM EDT

WTI - Dec \$69.27, up 66 cents
 RBOB - Nov \$1.9941, down 16 points
 HO - Nov \$2.2139, up 2.63 cents

All NYMEX | Prior Settlements

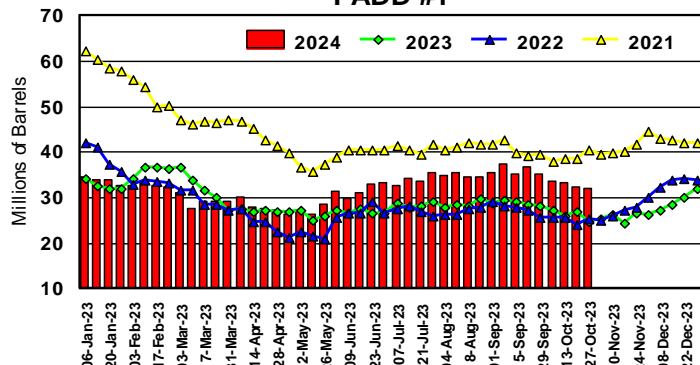
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.1876	0.0539	-0.0340
Dec-24	2.1985	0.0549	-0.0326
Jan-25	2.2068	0.0539	-0.0326
Feb-25	2.2083	0.0524	-0.0339
Mar-25	2.2001	0.0507	-0.0361
Apr-25	2.1900	0.0491	-0.0364
May-25	2.1847	0.0480	-0.0369
Jun-25	2.1831	0.0471	-0.0372
Jul-25	2.1907	0.0462	-0.0381
Aug-25	2.1992	0.0451	-0.0385
Sep-25	2.2096	0.0443	-0.0374
Oct-25	2.2200	0.0436	-0.0355
Nov-25	2.2270	0.0434	-0.0333
Dec-25	2.2318	0.0428	-0.0310
Jan-26	2.2379	0.0421	-0.0297
Feb-26	2.2383	0.0413	-0.0280
Mar-26	2.2310	0.0403	-0.0268

Sprague HeatCurve October 2025-April 2026		\$2.2316
	Close	Change
Crude - WTI	\$68.6100	\$1.4000
Crude - Brent	\$72.5500	\$1.4300
Natural Gas	\$2.8450	-\$0.0140
Gasoline	\$1.9957	\$0.0439



Weekly EIA Petroleum Status Report for the Week Ending October 18, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 515,000 barrels
 Cushing, OK Crude Stocks Up 681,000 barrels
Gasoline Stocks Down 2.707 million barrels
Distillate Stocks Down 977,000 barrels
Refinery % Operated 89.1%, down 0.4%

PADD #1

	Week Ending Oct. 25, 2024	Week Ending Oct. 18, 2024	Week Ending Oct. 27, 2023
Distillate Stocks (in million bbl)			
New England	5.4	5.3	3.2
Central Atlantic	16.1	17.0	12.0
Total PADD #1	32.1	32.4	24.8
Distillate Imports (thousands b/d)	115	70	49