

Market Commentary

Recap: The oil market continued to trade higher on Tuesday on a weaker U.S. dollar ahead of what was expected to be a close U.S. presidential election. The market continued to trend higher in follow through strength seen on Monday following the OPEC+ decision to delay plans to increase output in December. It was further supported by a weak U.S. dollar, which fell to a three-week low as traders squared their positions ahead of the U.S. presidential election results. The market was also supported by forecasts of Tropical Storm Rafael strengthening into the next hurricane of the season and moving into the Gulf of Mexico. Energy companies have started to evacuate non-essential workers from their Gulf operations. The crude market posted the day's trading range by mid-day as it posted a low of \$71.29 in overnight trading before it rallied to a high of \$72.67. It retraced more than 50% of its move from a high of \$77.70 to a low of \$66.72. The market later gave up some of its gains and traded in a sideways trading range ahead of the close. The December WTI contract settled up 52 cents at \$71.99 and the January Brent contract settled up 45 cents at \$75.53. The product markets ended the session in positive territory, with the heating oil market settling up 2.01 cents at \$2.3042 and the RB market settling up 2.54 cents at \$2.0446.

Technical Analysis: The oil market will remain supported as it awaits the release of the weekly petroleum stocks reports late Tuesday and Wednesday morning and the outcome of the tight U.S. presidential election. Any of the market's losses will be limited by the forecasts of Tropical Storm Rafael strengthening into a hurricane as it moves towards the U.S. Gulf of Mexico. The market is seen finding resistance at its high of \$72.67, \$73.51 followed by \$74.35, \$75.28, \$75.45 and \$77.70. Meanwhile, support is seen at \$71.29, \$70.25, \$69.32, \$68.30, \$67.28 and \$66.72.

Fundamental News: Major energy companies said they are evacuating some oil production workers and securing offshore platforms as they prepare for the approach of Tropical Storm Rafael to the Gulf of Mexico. BP said it has secured offshore facilities and removed some non-essential personnel from its Argos, Atlantis, Mad Dog, Na Kika and Thunder Horse facilities. Chevron, which operates six platforms in the Gulf, including Anchor, Blind Faith, Jack/St. Malo, Tahiti, Petronius and Big Foot, said it moved non-essential personnel, though production remains unaffected. Equinor said it has shut down production, with full evacuations expected by the day's end. Shell said it began relocating personnel from its Appomattox, Vito and other assets in anticipation of the storm's potential impact.

The port of Freeport in south Texas closed to inbound vessel traffic due to offshore conditions ahead of tropical storm Rafael.

Investors increased their oil futures and options trading in October to record levels in a bid to hedge increasing uncertainty as war continues in the Middle East and a bearish 2025 supply and demand outlook looms, triggering big swings in crude prices. According to data from the Intercontinental Exchange, about 68.44 million barrels of oil in futures and options were traded in October, surpassing the monthly record hit in March 2020 when Brent futures fell about \$30/barrel as the COVID-19 pandemic cut global oil demand. Investors traded more than 8.38 million barrels in Brent options in October on the ICE, surpassing the April 2024 record of 6.02 million barrels. Meanwhile, the CME Group reported a single day volume record for weekly crude oil options on October 18th, with 58,132 contracts traded.

Trade sources said trading firms will deliver about 5 million barrels of Middle East crude oil to the Shanghai International Energy Exchange this month, an unusually large volume, after domestic prices increased against global benchmark Brent. The volume of oil to be delivered into the November contract was likely the biggest for the year, as trade was mostly muted through 2024.

Early Market Call - as of 10:25 AM EDT

WTI - Dec \$71.93, down 7 cents
 RBOB - Dec \$2.0349, down 96 points
 HO - Dec \$2.3000, down 42 points

All NYMEX | Prior Settlements

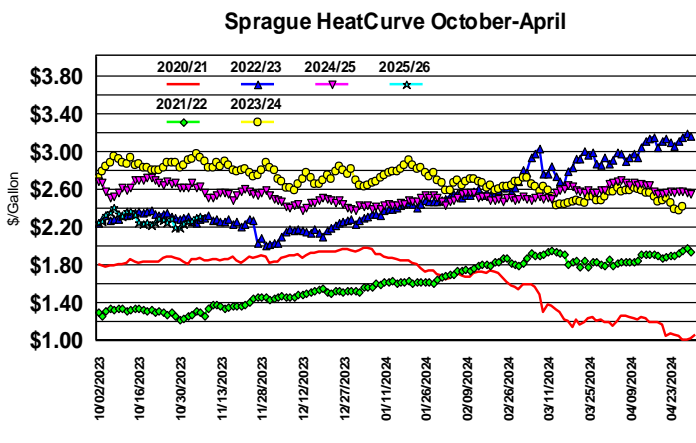
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	\$2.3042	\$0.0201	\$0.1606
Dec-24	\$2.3131	\$0.0207	\$0.1602
Jan-25	\$2.3156	\$0.0212	\$0.1597
Feb-25	\$2.3054	\$0.0209	\$0.1560
Mar-25	\$2.2918	\$0.0196	\$0.1509
Apr-25	\$2.2834	\$0.0183	\$0.1467
May-25	\$2.2791	\$0.0173	\$0.1431
Jun-25	\$2.2838	\$0.0163	\$0.1393
Jul-25	\$2.2895	\$0.0154	\$0.1354
Aug-25	\$2.2970	\$0.0146	\$0.1317
Sep-25	\$2.3041	\$0.0137	\$0.1277
Oct-25	\$2.3087	\$0.0129	\$0.1251
Nov-25	\$2.3117	\$0.0126	\$0.1227
Dec-25	\$2.3163	\$0.0120	\$0.1205
Jan-26	\$2.3149	\$0.0112	\$0.1179
Feb-26	\$2.3050	\$0.0104	\$0.1143
Mar-26	\$2.2897	\$0.0095	\$0.1100

Sprague HeatCurve October 2025-April 2026		\$2.3094	
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$3.97	\$71.5600	\$0.5300
Crude - Brent		\$75.5300	\$0.4500
Natural Gas		\$2.6700	-\$0.1110
Gasoline		\$2.0446	\$0.0254

API Report for the Week Ending November 1, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 3.13 million barrels	Unchanged
Gasoline Stocks	Down 928,000 barrels	Down 2.1 million barrels
Distillate Stocks	Down 852,000 barrels	Down 1.1 million barrels
Refinery Runs		Unchanged at 89.1%

Sprague HeatCurve October-April



NYMEX December WTI



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