

Market Commentary

Recap: The crude market on Friday continued on its upward trend and ended the week up following an intensification of the conflict between Ukraine and Russia. The escalation has raised geopolitical tensions, with Russia on Friday stating that the strike on Ukraine using a newly developed hypersonic ballistic missile was a message to the West that Russia will respond to any western actions in support of Ukraine. The market, which is concerned about a disruption to supply, traded to \$70.76 in overnight trading before it gave up some of its gains and posted a low of \$69.29. However, the market bounced off its low and rallied higher throughout the session. The oil market rallied to a high of \$71.51 ahead of the close. The January WTI contract settled up \$1.14 at \$71.24 and the January Brent contract settled up 94 cents at \$75.17. The product markets also ended the session higher, with the heating oil market settling up 5 points at \$2.2749 and the RB market settling up 20 points at \$2.0614.

Technical Analysis: The oil market will continue to trend higher amid the increased geopolitical tensions between Ukraine and Russia following the recent missile attacks against each other. The market is seen finding resistance at its high of \$71.51, \$71.68, \$71.87, \$72.41 and \$72.94. Meanwhile, support is seen at its low of \$69.29, \$68.86, \$68.64, \$68.48, \$66.53, \$66.32 and \$65.74.

Fundamental News: Goldman Sachs expects Brent prices to average around \$80/barrel this year, despite a 2024 deficit and geopolitical uncertainty, citing an anticipated 400,000 bpd surplus next year. The bank sees upside risks to Brent prices in the short term, with prices potentially increasing to the mid-\$80s in the first half of 2025 if Iranian supply drops by one million bpd on tighter sanctions enforcement. The medium-term price risks skew to the downside given the high spare capacity. It said "While there is ample spare capacity in oil production, we expect refining to remain quite tight and gasoline and diesel margins to recover further." The investment bank still sees Brent averaging \$76/barrel in 2025, but cut its 2026 forecast to \$71/barrel on a 900,000 bpd surplus. Goldman expects oil demand to continue growing for another decade, driven by rising total energy demand alongside GDP growth, and the ongoing challenges of decarbonizing air travel and petrochemical products.

J.P. Morgan said that in 2025 it is looking for a large 1.3 million bpd surplus in oil and an average Brent crude price of \$73/barrel, but expects prices to close the year firmly below \$70/barrel, with the price of WTI at \$64/barrel. In 2026, J.P. Morgan sees another year of large surpluses that will drive Brent prices below \$60/barrel by the year-end, with an average Brent forecast of \$61/barrel and WTI at \$57/barrel.

The Kremlin said that a strike on Ukraine using a newly developed hypersonic ballistic missile was designed as a message to the West that Russia will respond to their "reckless" decisions and actions in support of Ukraine. Kremlin spokesman Dmitry Peskov was speaking a day after President Vladimir Putin said Russia had fired the new missile, the Oreshnik or Hazel Tree, at a Ukrainian military facility. He said Russia had not been obliged to warn the United States about the strike, but had informed the U.S. 30 minutes before the launch anyway.

IIR Energy said U.S. oil refiners are expected to shut in about 457,000 bpd of capacity in the week ending November 22nd, raising available refining capacity by 150,000 bpd. Offline capacity is expected to fall to 145,000 bpd in the week ending November 29th and further to 21,000 bpd in the week ending December 6th.

Early Market Call - as of 8:35 AM EDT

WTI - Jan \$70.98, down 25 cents

RBOB - Dec \$2.0508, down 1.06 cents

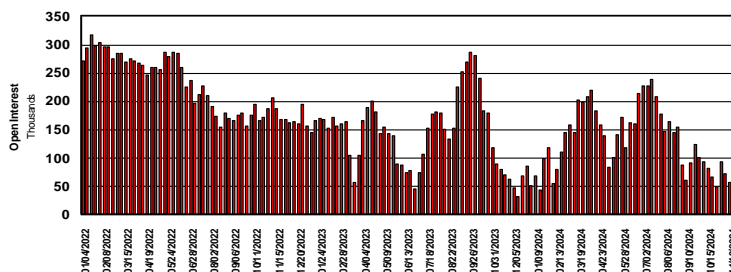
HO - Dec \$2.2801, up 52 points

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-24	2.2749	0.0005	0.1040
Jan-25	2.2845	0.0006	0.1027
Feb-25	2.2862	0.0011	0.0995
Mar-25	2.2761	0.0019	0.0966
Apr-25	2.2606	0.0013	0.0923
May-25	2.2494	0.0013	0.0875
Jun-25	2.2403	0.0010	0.0819
Jul-25	2.2423	0.0012	0.0803
Aug-25	2.2462	0.0015	0.0783
Sep-25	2.2529	0.0019	0.0760
Oct-25	2.2599	0.0021	0.0732
Nov-25	2.2648	0.0022	0.0707
Dec-25	2.2683	0.0022	0.0682
Jan-26	2.2736	0.0022	0.0665
Feb-26	2.2719	0.0018	0.0643
Mar-26	2.2616	0.0008	0.0616
Apr-26	2.2458	0.0003	0.0594

Sprague HeatCurve October 2025-April 2026		\$2.2661
	Close	Change
Crude - WTI	\$71.2400	\$1.1400
Crude - Brent	\$75.1700	\$0.9400
Natural Gas	\$3.1290	-\$0.2100
Gasoline	\$2.0614	\$0.0020

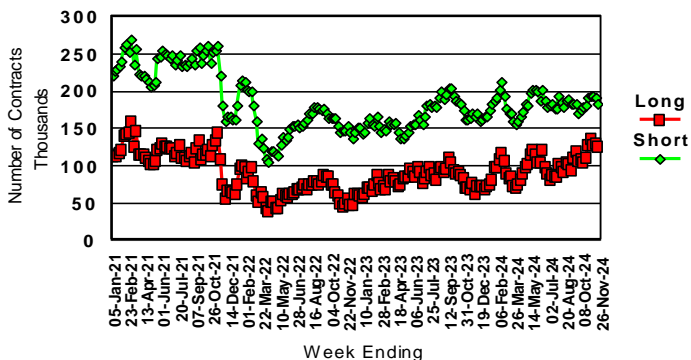
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending November 19, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

