

## Market Commentary

**Recap:** The oil market sold off sharply on Monday following reports of a possible Middle East peace agreement. The crude market posted a high of \$71.48 on its opening late Sunday before it began to retrace its previous gains as it failed to test its previous high of \$71.51. The oil market sold off sharply and retraced more than 50% of its move from a low of \$66.53 to a high of \$71.51 as it sold off to a low of \$68.74 early in the afternoon. The market was pressured by the news that Israel and Lebanon had agreed to the terms of a deal to end the Israel-Hezbollah conflict. The January WTI contract settled down \$2.30 at \$68.94 and the January Brent contract settled down \$2.16 at \$73.01. The product markets ended the session sharply lower, with the heating oil market settling down 3.96 cents at \$2.2353 and the RB market settling down 6.09 cents at \$2.0005.

**Technical Analysis:** The crude market is seen trending sideways following today's sharp sell off as it awaits for further details regarding the peace agreement between Israel and Hezbollah. While the expectations of an imminent ceasefire agreement has taken some risk premium out of the market, the market will remain cautious as previous ceasefires have failed to materialize. The market is also seen trading sideways ahead of the release of the weekly petroleum stocks reports late Tuesday and early Wednesday, which are expected to show small builds across the board. The market will also remain cautious amid the escalating conflict between Russia and Ukraine. The crude market is seen finding support at its low of \$68.74, \$68.64, \$68.43 followed by \$66.53, \$66.32 and \$65.74. Meanwhile, resistance is seen at \$70.00, \$71.24, \$71.48-\$71.51 followed by \$71.68, \$71.87, \$72.41 and \$72.94.

**Fundamental News:** Axios reported, citing an unnamed senior U.S. official, that Israel and Lebanon have agreed to the terms of a deal to end the Israel-Hezbollah conflict. On Monday, Israel's government said it was moving towards a ceasefire in the war with Hezbollah but there were still outstanding issues. Separately, a senior Israeli official said Israel's cabinet will meet on Tuesday to approve a ceasefire deal with Hezbollah, while a Lebanese official said Beirut had been told by Washington that an accord could be announced "within hours". Elias Bou Saab, Lebanon's deputy parliament speaker, told Reuters there were "no serious obstacles" left to start implementing a U.S.-proposed ceasefire with Israel, "unless Netanyahu changes his mind". He said the proposal would entail an Israeli military withdrawal from south Lebanon and regular Lebanese army troops deploying in the border region within 60 days.

The Kremlin said it had noted that "President-elect Donald Trump's circle was speaking about a potential peace plan for Ukraine while the current U.S. administration of Joe Biden was not and was seeking to escalate the conflict instead." Kremlin spokesman Dmitry Peskov made his remarks after being asked to comment on an interview that Mike Waltz, President-elect Trump's pick for national security adviser, gave to Fox News on Sunday. The nominee for national security adviser said that Trump had been "very concerned" about an escalation in fighting between Russia and Ukraine and that the war must be brought "to a responsible end". The Kremlin's spokesman said the Kremlin had taken note of the comments and that President Vladimir Putin had repeatedly signaled that Moscow was ready for dialogue over Ukraine.

Sources stated that OPEC+ will hold its December 1<sup>st</sup> meeting to set oil policy online, with the producer group set to discuss a further delay to plans to increase its output due to weak global oil demand.

IIR Energy reported that U.S. oil refiners are expected to shut in about 145,000 bpd of capacity in the week ending November 29<sup>th</sup>, increasing available refining capacity by 312,000 bpd. It reported that offline capacity is expected to fall to 21,000 bpd in the week ending December 6<sup>th</sup>.

**Early Market Call - as of 8:35 AM EDT**

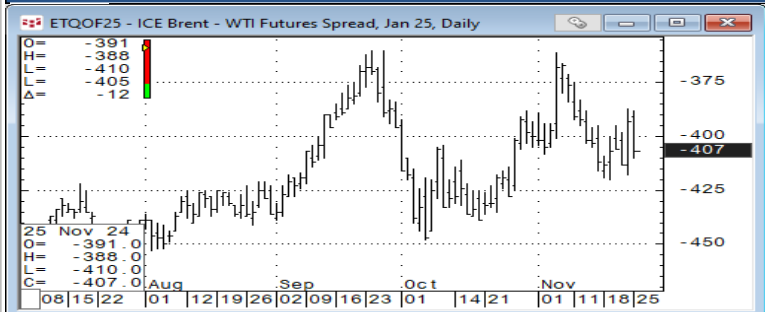
WTI - Jan \$69.44, up 50 cents  
 RBOB - Dec \$2.0140, up 1.35 cents  
 HO - Dec \$2.2592, up 2.39 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-24	2.2353	-0.0396	-0.0161
Jan-25	2.2441	-0.0404	-0.0180
Feb-25	2.2433	-0.0429	-0.0222
Mar-25	2.2303	-0.0458	-0.0266
Apr-25	2.2131	-0.0475	-0.0318
May-25	2.2011	-0.0483	-0.0350
Jun-25	2.1918	-0.0485	-0.0378
Jul-25	2.1952	-0.0471	-0.0364
Aug-25	2.2006	-0.0456	-0.0352
Sep-25	2.2088	-0.0441	-0.0346
Oct-25	2.2169	-0.0430	-0.0348
Nov-25	2.2222	-0.0426	-0.0357
Dec-25	2.2263	-0.0420	-0.0367
Jan-26	2.2319	-0.0417	-0.0368
Feb-26	2.2307	-0.0412	-0.0367
Mar-26	2.2212	-0.0407	-0.0371
Apr-26	2.2056	-0.0402	-0.0372

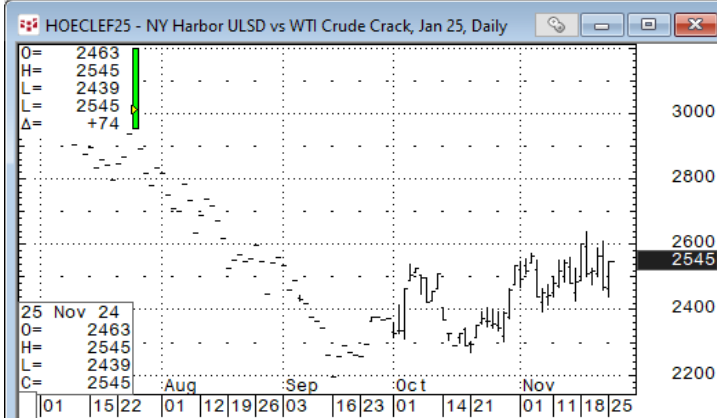
Sprague HeatCurve October 2025-April 2026		\$2.2245
	Close	Change
Crude - WTI	\$68.9400	-\$2.3000
Crude - Brent	\$73.0100	-\$2.1600
Natural Gas	\$3.3690	\$0.2400
Gasoline	\$2.0005	-\$0.0609

### ICE January Brent-WTI Spread

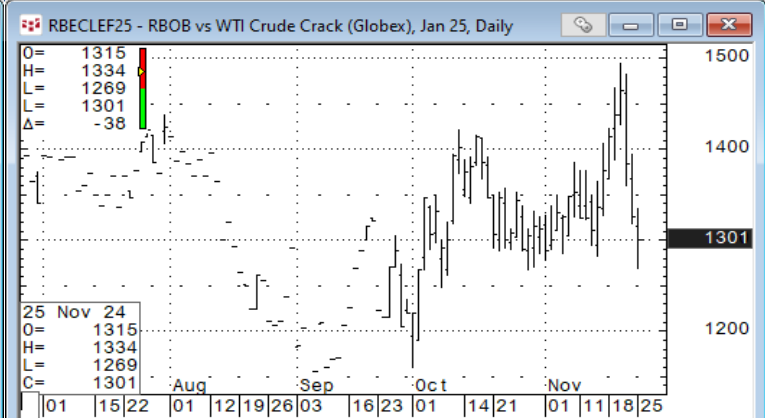


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## January Heating Oil Crack Spread



## January RBOB Crack Spread



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