

Market Commentary

Recap: The oil market on Tuesday ended the session lower, giving back its early gains in light of the news that Israel's Prime Minister Benjamin Netanyahu agreed to a ceasefire deal with Lebanon. Early in the session, the market traded higher amid the resumption of OPEC+ talks on their output policy and the announcement by President-elect Donald Trump of his plan to impose 25% tariffs on Canadian and Mexican imports. The crude market rallied to a high of \$70.30 by mid-morning in light of a Bloomberg report stating that OPEC+ nations, ahead of a meeting on Sunday, were discussing a further delay of a 180,000 bpd output increase that was scheduled to begin in January. However, the market once again gave up some of those gains and traded mostly sideways. The market later extended its losses to 89 cents as it sold off to a low of \$68.05 after Israel agreed to a ceasefire deal with Lebanon, reducing the market's risk premium. The January WTI contract settled down 17 cents at \$68.77 and the Brent crude contract settled down 20 cents at \$72.81. The product markets ended the session in mixed territory with the heating oil market settling up 51 points at \$2.2404 and the RB market settling down 87 points at \$1.9918.

Technical Analysis: Ahead of the Thanksgiving Day holiday, the oil market is seen trending sideways following the market's sharp sell off on the ceasefire deal between Israel and Hezbollah. The market will weigh the OPEC+ discussion of delaying an expected increase in output at its upcoming meeting and the potential impact of the possible tariffs imposed against Mexico and Canada as well as China against the continuing geopolitical tension between Ukraine and Russia. It will seek further direction from the latest weekly petroleum stocks reports, which are expected to show small draws in crude stocks. The market is seen finding support at its low of \$68.05, \$66.91, \$66.53, \$66.32 and \$65.74. Meanwhile, resistance is seen at \$70.00, \$70.30, \$71.48-\$71.51 followed by \$71.68, \$71.87, \$72.41 and \$72.94.

Fundamental News: On Monday, President-elect Donald Trump pledged big tariffs on the United States' three largest trading partners, Canada, Mexico and China. The President-elect, who takes office on January 20th, said he would impose a 25% tariff on imports from Canada and Mexico until they stop the flow of drugs into the U.S., particularly fentanyl, and migrants crossing the border. He also separately outlined "an additional 10% tariff, above any additional tariffs" on imports from China. It was not entirely clear what this would mean for China as he has previously pledged to end China's most-favored-nation trading status and impose tariffs on Chinese imports in excess of 60%, much higher than those imposed during his first term. After issuing his tariff threat, Trump held a conversation with Canada's Prime Minister Justin Trudeau in which they discussed trade and border security, according to a Canadian source. Sources stated that the president elect's plan to impose 25% tariffs on Canadian and Mexican imports in his first day in office does not exempt crude oil from the trade penalties. According to NBC News, if the tariffs are imposed, they could cost Americans an estimated \$78 billion annually. A 25% tariff would increase fuel costs, affecting gas prices and heating oil. Consumers would likely see higher prices at the pump, with several cents per gallon being added to gasoline and diesel prices.

Israel's Prime Minister, Benjamin Netanyahu, said he is ready to implement a ceasefire deal with Lebanon and would "respond forcefully to any violation" by Hezbollah.

Sources stated that OPEC+ nations are discussing a further delay to a planned oil output increase that was due to start in January, ahead of Sunday's meeting to decide policy for the early months of 2025. Meanwhile, Bloomberg reported that members are in doubt about a 180,000 bpd production increase currently scheduled for the start of next year and further increases in the following months due to signs of global oversupply.

Iraq's Prime Minister Office said Iraq, Saudi Arabia and Russia agree on the importance of maintaining stable oil markets and fair prices.

Early Market Call - as of 8:05 AM EDT

WTI - Dec \$69.27, up 50 cents
 RBOB - Dec \$2.0023, up 1.05 cents
 HO - Dec \$2.2405, up 1 point

All NYMEX | Prior Settlements

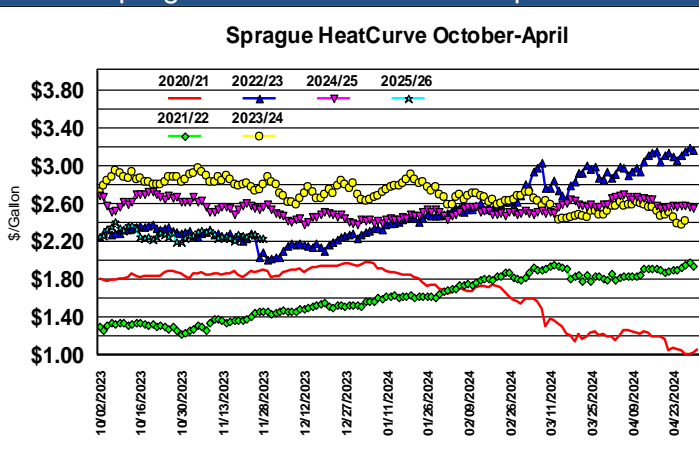
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-24	\$2.2404	\$0.0051	\$0.0002
Jan-25	\$2.2477	\$0.0036	-\$0.0040
Feb-25	\$2.2438	\$0.0005	-\$0.0121
Mar-25	\$2.2302	-\$0.0001	-\$0.0179
Apr-25	\$2.2119	-\$0.0012	-\$0.0247
May-25	\$2.1987	-\$0.0024	-\$0.0296
Jun-25	\$2.1884	-\$0.0034	-\$0.0338
Jul-25	\$2.1918	-\$0.0034	-\$0.0332
Aug-25	\$2.1975	-\$0.0031	-\$0.0323
Sep-25	\$2.2062	-\$0.0026	-\$0.0313
Oct-25	\$2.2148	-\$0.0021	-\$0.0310
Nov-25	\$2.2201	-\$0.0021	-\$0.0320
Dec-25	\$2.2235	-\$0.0028	-\$0.0339
Jan-26	\$2.2288	-\$0.0031	-\$0.0344
Feb-26	\$2.2277	-\$0.0030	-\$0.0343
Mar-26	\$2.2184	-\$0.0028	-\$0.0346
Apr-26	\$2.2030	-\$0.0026	-\$0.0353

Sprague HeatCurve October 2025-April 2026			\$2.2218
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.04	\$68.7700	-\$0.1700
Crude - Brent		\$72.8100	-\$0.2000
Natural Gas		\$3.4310	\$0.0620
Gasoline		\$1.9918	-\$0.0087

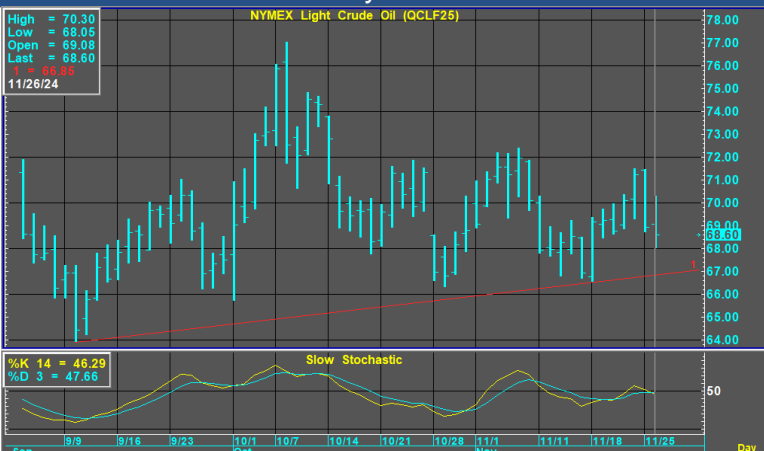
API Report for the Week Ending November 22, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 5.94 million barrels	Down 400,000 barrels
Gasoline Stocks	Up 1.81 million barrels	Up 900,000 barrels
Distillate Stocks	Up 2.54 million barrels	Down 200,000 barrels
Refinery Runs		Up 0.5% at 90.7%

Sprague HeatCurve October-April



NYMEX January WTI



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