

Market Commentary

Recap: The oil market traded lower on Wednesday and retraced some of its recent gains ahead of the OPEC+ meeting on Thursday. The market was well supported in overnight trading and posted a high of \$70.51 by the uncertain ceasefire between Israel and Hezbollah, South Korea's curtailed declaration of martial law and a rebel offensive in Syria that threatens to draw in forces from several oil producing countries. However, the market gave up its gains and retraced more than 62% of its move from Monday low of \$67.71 to its high of \$70.51 seen early in the morning as it posted a low of \$68.49 ahead of the close. The January WTI contract settled down \$1.40 at \$68.54 and the February Brent contract settled down \$1.31 at \$72.31. The product markets ended the session lower in light of the larger than expected builds reported in distillates and gasoline stocks by the API and EIA. The heating oil market settled down 5.03 cents at \$2.1674 and the RB market settled down 2.33 cents at \$1.9391.

Technical Analysis: The crude market is seen trending sideways as it awaits an OPEC+ decision on its output policy during its meeting on Thursday. The producer group is widely expected to hold off on a planned output increase until February or until the end of the first quarter. The market will also look for further developments in the Middle East after Israel on Tuesday threatened to attack the Lebanese state if its truce with Hezbollah collapses. The market is seen finding support at its lows of \$68.49, \$67.91, \$67.71 followed by \$67.23, \$66.53, \$66.32 and \$65.74. Resistance is seen at its high of \$70.51, \$71.48-\$71.51, \$71.68, \$71.87 and \$72.41.

Fundamental News: The EIA reported that U.S. crude stocks fell by more than expected in the week ending November 29th as refiners increased their operations, offsetting an increase in crude imports. Crude inventories fell by 5.1 million barrels on the week to 423.4 million barrels. U.S. crude oil production increased by 20,000 bpd to a record 13.513 million bpd in the week ending November 29th. Refinery crude runs increased by 615,000 bpd last week, to their highest level since July 12th. Net U.S. crude imports increased by 1.64 million bpd, while crude exports fell by 428,000 bpd to 4.24 million bpd.

OPEC+ sources stated that OPEC+ is likely to extend its latest round of oil production cuts by at least three months from January when it meets online on Thursday. One of the OPEC+ sources said the group was also looking at an option to extend the cuts throughout the first half of next year and another said a deeper cut was not a likely option.

IIR Energy reported that U.S. oil refiners are expected to shut in about 21,000 bpd of capacity in the week ending December 6th, raising available refining capacity by 124,000 bpd. Offline capacity is expected to fall to zero in the week ending December 13th.

The Organization for Economic Cooperation and Development said the world economy is set for steady growth in the next two years if resurgent protectionism does not derail a recovery in global trade. In its latest Economic Outlook, the OECD said the world economy is poised to grow 3.2% this year and 3.3% in 2025 and 2026 as lower inflation, job growth and interest rate cuts help offset fiscal tightening in some countries. Its latest forecasts were largely in line with its last review dating from September, when it had expected growth of 3.2% this and next year and did not yet have a forecast for 2026. As a cooling job market causes consumer spending to moderate, the OECD forecast that U.S. growth would ease from 2.8% this year to 2.4% in 2025 and 2.1% in 2026.

Early Market Call - as of 8:30 AM EDT

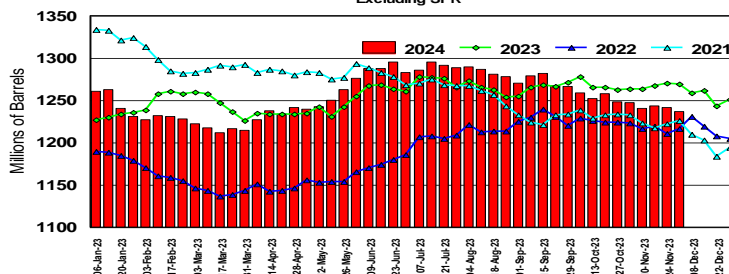
WTI - Jan \$68.54, unchanged
 RBOB - Jan \$1.9314, down 77 points
 HO - Jan \$2.1586, down 88 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.1674	-0.0503	-0.0440
Feb-25	2.1739	-0.0460	-0.0353
Mar-25	2.1667	-0.0434	-0.0301
Apr-25	2.1541	-0.0415	-0.0260
May-25	2.1469	-0.0389	-0.0218
Jun-25	2.1433	-0.0365	-0.0177
Jul-25	2.1498	-0.0345	-0.0155
Aug-25	2.1570	-0.0332	-0.0148
Sep-25	2.1658	-0.0328	-0.0149
Oct-25	2.1746	-0.0329	-0.0151
Nov-25	2.1811	-0.0327	-0.0142
Dec-25	2.1857	-0.0319	-0.0130
Jan-26	2.1918	-0.0316	-0.0123
Feb-26	2.1910	-0.0315	-0.0124
Mar-26	2.1821	-0.0312	-0.0128
Apr-26	2.1670	-0.0307	-0.0133
May-26	2.1574	-0.0300	-0.0133

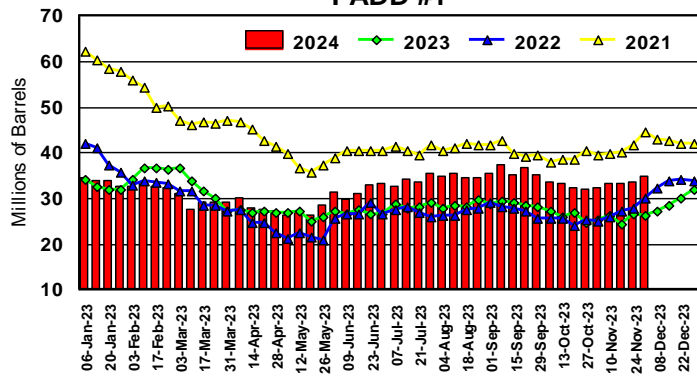
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.12	\$68.1900	-\$1.3500
Crude - Brent		\$72.3100	-\$1.3100
Natural Gas		\$3.0430	\$0.0010
Gasoline		\$1.9391	-\$0.0233

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending November 29, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 5.073 million barrels
 Cushing, OK Crude Stocks Up 50,000 barrels
Gasoline Stocks Up 2.362 million barrels
Distillate Stocks Up 3.383 million barrels
Refinery % Operated 93.3%, up 2.8%

PADD #1

	Week Ending Nov. 29, 2024	Week Ending Nov. 22, 2024	Week Ending Dec. 1, 2023
Distillate Stocks (in million bbl)			
New England	6.0	5.8	3.0
Central Atlantic	16.9	16.6	12.5
Total PADD #1	34.9	33.5	26.3
Distillate Imports (thousands b/d)	87	113	73