

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Friday traded lower and ended the week down 1.18% despite the OPEC+ decision made on Thursday to delay its output increases by three months until April and extend the full unwinding of cuts by a year until the end of 2026. The crude market posted its high of \$68.49 in overnight trading before it breached the \$68.00 and sold off. The market breached its support at a trendline that came in at \$67.28 as it posted a low of \$66.98 by mid-morning. The market was pressured by analysts projecting a supply surplus next year. The oil market later retraced some of its losses and traded in a sideways trading range during the remainder of the session. The January WTI contract settled down \$1.10 at \$67.20 and the February Brent contract settled down 97 cents at \$71.12. The product markets ended the session lower, with the heating oil market settling down 2.31 cents at \$2.1326 and the RB market settling down 2.63 cents at \$1.9062.

Technical Analysis: The crude market will likely continue to trend lower after it breached its support at a trendline and settled below it on Friday despite the OPEC+ announcement to delay its output increase. Its daily stochastics are also pointing lower. The market will look to developments regarding the situation in the Middle East and will focus on the Federal Reserve's upcoming meeting in mid-December. The market is seen finding support at \$66.98, \$66.53, \$66.32, \$65.74, \$64.22 and \$63.90. However, resistance is seen at \$67.34, \$68.49, \$69.16, \$70.51 and \$71.48-\$71.51.

Fundamental News: Goldman Sachs maintained its forecast for Brent oil to average \$76/barrel in 2025 and \$71/barrel in 2026, citing a balanced market situation, with lower OPEC+ supply offsetting an unexpected increase last month in commercial inventories at OECD countries. It forecast a modest surplus of 400,000 bpd in 2025 as an increase in non-OPEC supply nearly offsets the reduced supply from OPEC and Russia.

Morgan Stanley raised its Brent price forecast to \$70/barrel for the second half of 2025 from a previous forecast of \$66-68/barrel, noting that the updated OPEC+ production agreement tightened its supply and demand outlook, especially for the second half. It lowered its estimate for OPEC-9 production by 400,000 bpd for 2025 and 700,000 bpd by the fourth quarter of 2025. Still, Morgan Stanley estimates an oil market surplus in 2025, although smaller than before. It cut the estimated surplus in 2025 from 1.3 million bpd to 800,000 bpd in the total liquids balance and from 700,000 bpd to 300,000 bpd in its crude-only balance estimate.

Bank of America sees further OPEC+ delays ahead. It expects oil demand growth to rebound from about 900,000 bpd year on year in 2024 to about 1 million bpd in 2025 and 2026. It also forecast non-OPEC oil supply growth to take about 75% share of the world's global demand growth into 2030. Non-OPEC production is set to increase by 1.4 million bpd year on year next year. Bank of America said that increasing oil surpluses will drive Brent prices to average \$65/barrel, without expecting a net increase in OPEC+ production in 2025.

HSBC said its Brent oil price forecast remains at \$70/barrel for 2025 and beyond. It said that for 2024, it forecast an oil supply/demand deficit of 300,000 bpd on average. It expects the oil market surplus in 2025 to fall to just 200,000 bpd from a previous estimate of 500,000 bpd if OPEC+ goes ahead with its output increase in April.

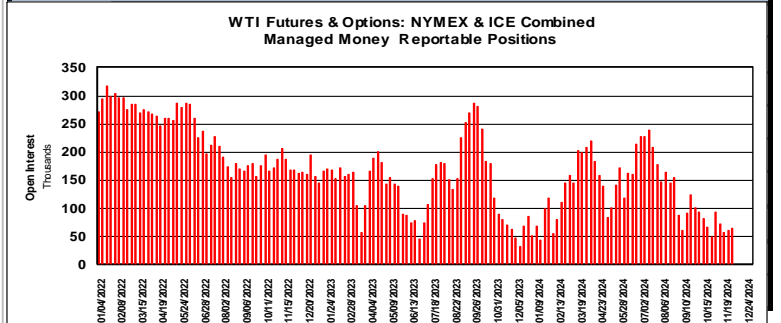
According to traders and ship tracking data, diesel shipments from the U.S. Gulf Coast to Europe's Amsterdam-Rotterdam-Antwerp region, are set to increase due to improving export margins on the back of scarce supply in Europe and increasing U.S. refinery production. Europe is seeking higher transatlantic diesel imports, as weaker export margins for shipments from east of Suez slowed flows on that route in the last two months. According to ship tracking data from Kpler, U.S. diesel exports to ARA could reach record high levels above 250,000 bpd in December, compared with a monthly average of 28,000 bpd over January-October.

Early Market Call - as of 8:45 AM EDT

- WTI - Jan \$68.20, up \$1.00
- RBOB - Jan \$1.9374, up 3.12 cents
- HO - Jan \$2.1744, up 4.18 cents

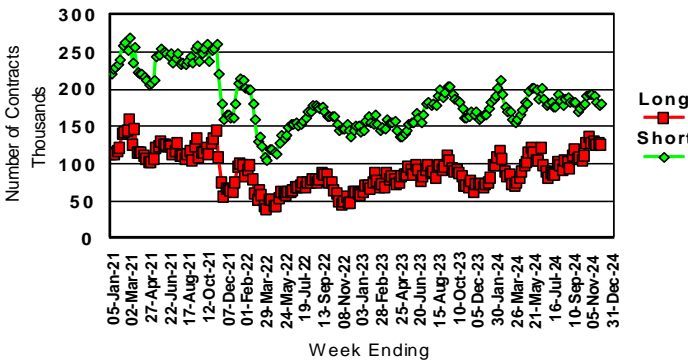
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.1326	-0.0231	-0.0598
Feb-25	2.1392	-0.0228	-0.0510
Mar-25	2.1327	-0.0230	-0.0459
Apr-25	2.1210	-0.0220	-0.0420
May-25	2.1153	-0.0211	-0.0373
Jun-25	2.1134	-0.0204	-0.0321
Jul-25	2.1224	-0.0194	-0.0272
Aug-25	2.1318	-0.0183	-0.0242
Sep-25	2.1418	-0.0172	-0.0232
Oct-25	2.1512	-0.0165	-0.0230
Nov-25	2.1579	-0.0161	-0.0222
Dec-25	2.1628	-0.0156	-0.0208
Jan-26	2.1689	-0.0155	-0.0202
Feb-26	2.1685	-0.0149	-0.0201
Mar-26	2.1605	-0.0139	-0.0193
Apr-26	2.1462	-0.0131	-0.0187
May-26	2.1373	-0.0122	-0.0179

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.14	\$66.9800	-\$0.9800
Crude - Brent		\$71.1200	-\$0.9700
Natural Gas		\$3.0760	-\$0.0030
Gasoline		\$1.9062	-\$0.0263

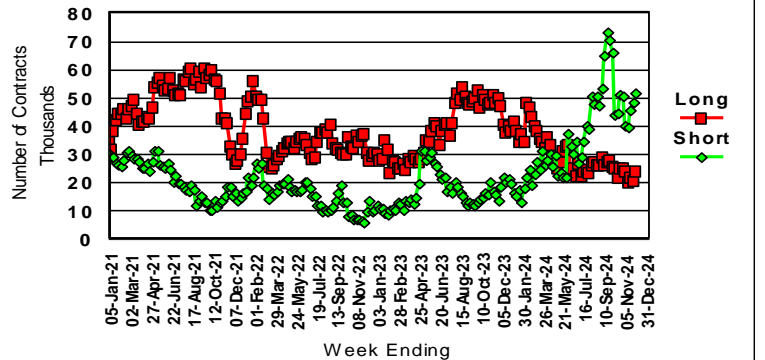


Commitment of Traders Report for the Week Ending December 3, 2024

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report



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