

Market Commentary

Recap: The crude market maintained its upward momentum on Wednesday and rallied higher following the news that the European Union agreed to impose further sanctions against Russia over its war against Ukraine. The market was well supported by the news as the sanctions in particular target Russia's shadow fleet that has helped Russia bypass the \$60/barrel price cap imposed by the G7 on Russian seaborne crude. The oil market posted a low of \$68.44 on the opening and continued on its recent upward trend. The market found early resistance and pared some of its gains following the OPEC monthly report, which showed a cut to its demand growth forecasts for 2024 and 2025. However, the market traded higher and never looked back on the news of the sanctions imposed against Russia. The market rallied to a high of \$70.46 ahead of the close. The January WTI contract settled up \$1.70 at \$70.29 and later posted a high of \$70.53 in the post settlement period. The February Brent contract settled up \$1.33 at \$73.52. The product markets were also well supported, with the heating oil market settling up 3.72 cents at \$2.2233 and the RB market settling up 2.9 cents at \$1.9858.

Technical Analysis: The oil market will likely retrace some of its sharp gains on Thursday and remain in its recent trading range. The market's losses will be limited by the market's concerns over the impact of the sanctions against Russia agreed on by the European Union, while the U.S. is also looking to impose harsher sanctions against the country. The market will also remain supported by the economic news from China recently regarding its monetary policy for 2025 in its attempt to support the economy and increase demand. The crude market is seen finding resistance at its high of \$70.53, \$71.48-\$71.51, \$71.87 and \$72.41. Meanwhile, support is seen at its low of \$68.44, \$67.72, \$67.08, \$66.98, \$66.53 and \$66.32.

Fundamental News: OPEC lowered its forecasts for 2024 and 2025 global oil demand growth in the fifth consecutive cut to the producers group's monthly report. OPEC said it now expects 2024 global oil demand to increase by 1.61 million bpd, down from a previous forecast of 1.82 million bpd. OPEC cut its 2025 global oil demand growth estimate to 1.45 million bpd from 1.54 million bpd.

The European Union on Wednesday gave preliminary backing to its 15th round of sanctions against Russia. The latest package will include an extension of an exemption for Slovakia to trade petroleum products derived from Russian oil through June 2025. The sanctions package also includes restrictions on some 45 additional Russian oil tankers and several firms involved in shipping Russian oil as well as listing some 50 individuals and nearly 30 entities and freezing their assets and imposition of travel bans. The sanctions package also looks to impose penalties for several Chinese firms that reportedly have been helping Russian companies develop attack drones for use against Ukraine.

U.S. Treasury Secretary, Janet Yellen, said the United States is continuing to look for creative ways to reduce Russia's oil revenue and hamper its ability to wage war in Ukraine.

IIR Energy said U.S. oil refiners are expected to shut in about 25,000 bpd of capacity in the week ending December 13th, raising available refining capacity by 64,000 bpd. It said offline capacity is expected to remain at 25,000 bpd in the week ending December 20th.

U.S. consumer prices increased by the most in seven months in November. The Labor Department's Bureau of Labor Statistics said the Consumer Price Index increased 0.3% in November, the largest gain since April after advancing 0.2% for four consecutive months. In the 12 months through November, the CPI increased 2.7% after increasing 2.6% in October. Excluding the food and energy components, the CPI increased 0.3% in November, increasing by the same margin for the fourth consecutive month. In the 12 months through November, the core CPI gained 3.3%. That followed a similar advance in October.

Early Market Call - as of 8:40 AM EDT

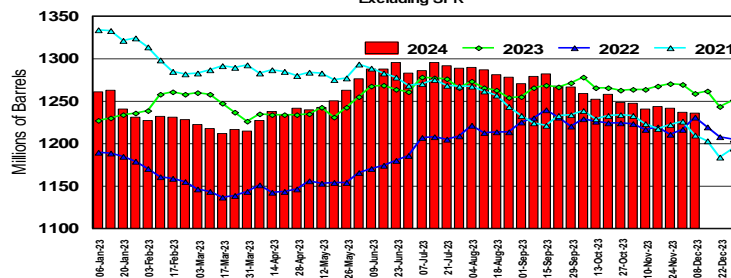
WTI - Jan \$70.22, down 7 cents
 RBOB - Jan \$1.9817, down 41 points
 HO - Jan \$2.2290, up 57 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2233	0.0372	0.0559
Feb-25	2.2295	0.0371	0.0556
Mar-25	2.2204	0.0372	0.0537
Apr-25	2.2045	0.0365	0.0504
May-25	2.1943	0.0358	0.0474
Jun-25	2.1885	0.0347	0.0452
Jul-25	2.1932	0.0331	0.0434
Aug-25	2.1987	0.0312	0.0417
Sep-25	2.2051	0.0291	0.0393
Oct-25	2.2111	0.0274	0.0365
Nov-25	2.2147	0.0262	0.0336
Dec-25	2.2170	0.0250	0.0313
Jan-26	2.2217	0.0244	0.0299
Feb-26	2.2204	0.0236	0.0294
Mar-26	2.2114	0.0229	0.0293
Apr-26	2.1959	0.0221	0.0289
May-26	2.1858	0.0213	0.0284

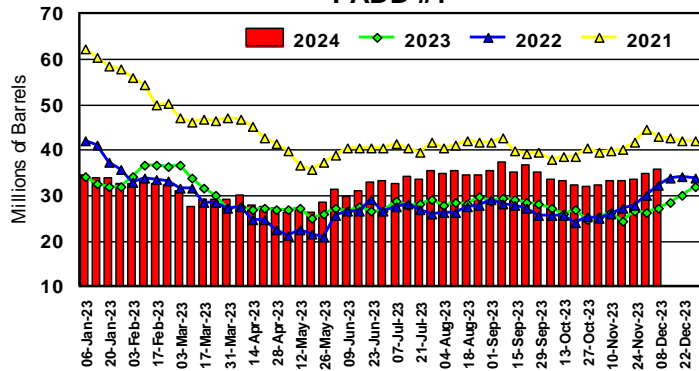
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$3.65	\$69.8700	\$1.6000
Crude - Brent		\$73.5200	\$1.3300
Natural Gas		\$3.3780	\$0.2150
Gasoline		\$1.9858	\$0.0290

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending December 6, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.425 million barrels
 Cushing, OK Crude Stocks Down 1.298 million barrels
Gasoline Stocks Up 5.086 million barrels
Distillate Stocks Up 3.235 million barrels
Refinery % Operated 92.4%, up 0.9%

PADD #1

	Week Ending Dec. 6, 2024	Week Ending Nov. 29, 2024	Week Ending Dec. 8, 2023
Distillate Stocks (in million bbl)			
New England	5.6	6.0	3.9
Central Atlantic	18.2	16.9	12.5
Total PADD #1	35.8	34.9	27.2
Distillate Imports (thousands b/d)	125	87	197