

Market Commentary

Recap: The crude market traded higher on Thursday as it continued on its recent upward trend. Overnight, the market remained well supported by the news that the European Union agreed on further sanctions against Russia, while the U.S. was also looking into further sanctions on Russia that could impact the country's oil export volumes. The market rallied to a high of \$70.72 in early morning trading. However, the market gave up some of its gains and traded lower during the remainder of the morning following the release of the IEA's monthly oil report. The IEA raised its demand growth estimate for next year to 1.1 million bpd, while it projected a surplus of between 950,000 bpd and 1.4 million bpd depending on whether OPEC+ starts to bring production in April as planned. The market bounced off its low and retraced its earlier losses as the market continued to digest the report and settled in a sideways trading range during the remainder of the session. The January WTI contract ended the session down 27 cents at \$70.02, while the February Brent contract settled down 11 cents at \$73.41. The product markets ended higher, with the heating oil market settling up 1.33 cents at \$2.2366 and the RB market settling up 27 points at \$1.9885.

Technical Analysis: The oil market remains mired in a recent trading range from \$66 to \$72. The market will remain supported amid news regarding the sanctions against Russia and the recent economic news as the latest inflation data increased expectations of a Federal Reserve interest rate cut. The market is seen finding resistance at its high of \$70.72, \$71.48-\$71.51, \$71.87 and \$72.41. Meanwhile, support is seen at its low of \$69.14, \$68.44, \$67.72, \$67.08, \$66.98, \$66.53 and \$66.32.

Fundamental News: The IEA said the world oil market will be comfortably supplied in 2025, despite OPEC+ extending its oil supply cuts and a slightly higher than expected demand forecast. The agency said its current outlook points to a 950,000 bpd overhang next year despite the recent OPEC+ decision to extend its cuts. It said oil demand growth has been weaker than expected this year in large part because of China. Still, the IEA increased its 2025 global oil demand growth forecast to 1.1 million bpd from a previous forecast of 990,000 bpd last month, stating "largely in Asian countries due to the impact of China's recent stimulus measures".

U.S. President-elect Donald Trump said "anything can happen" when asked about the chances of going to war with Iran during his next term in an interview with Time magazine.

Following a meeting with Israel's Prime Minister Benjamin Netanyahu, U.S. national security adviser Jake Sullivan said he believed a deal on a Gaza ceasefire and hostage release may be close as Israel had signaled it was ready and there were signs of movement from Hamas.

Trade sources said Saudi Arabia's crude oil supply to China is set to rebound to about 46 million barrels in January after the kingdom cut its official selling prices to Asia to a four-year low.

U.S. producer prices increased more than expected in November amid an increase in the cost of food, but a moderation in the prices of services offered hope that the disinflationary trend remains in place. The Labor Department's Bureau of Labor Statistics said the Producer Price Index for final demand increased 0.4% in November after an upwardly revised 0.3% increase in October. In the 12 months through November, the PPI increased 3.0% after increasing 2.6% in October.

The number of Americans filing new applications for jobless benefits unexpectedly increased in the week ending December 7th. The Labor Department said initial claims for state unemployment benefits increased 17,000 to a seasonally adjusted 242,000. The number of people receiving benefits after an initial week of aid increased by 15,000 to a seasonally adjusted 1.886 million in the week ending November 30th.

Early Market Call - as of 8:40 AM EDT

WTI - Jan \$70.43, up 41 cents
 RBOB - Jan \$1.9983, up 98 points
 HO - Jan \$2.2512, up 1.46 cents

All NYMEX | Prior Settlements

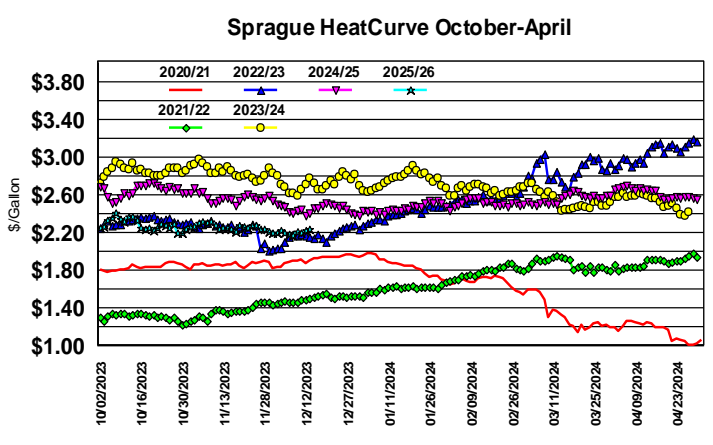
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2366	0.0133	0.0809
Feb-25	2.2424	0.0129	0.0804
Mar-25	2.2319	0.0115	0.0762
Apr-25	2.2142	0.0097	0.0712
May-25	2.2028	0.0085	0.0664
Jun-25	2.1963	0.0078	0.0625
Jul-25	2.2008	0.0076	0.0590
Aug-25	2.2062	0.0075	0.0561
Sep-25	2.2127	0.0076	0.0537
Oct-25	2.2186	0.0075	0.0509
Nov-25	2.2218	0.0071	0.0478
Dec-25	2.2235	0.0065	0.0451
Jan-26	2.2283	0.0066	0.0439
Feb-26	2.2267	0.0063	0.0433
Mar-26	2.2174	0.0060	0.0430
Apr-26	2.2017	0.0058	0.0424
May-26	2.1914	0.0056	0.0419

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$3.75	\$69.6600	-\$0.2100
Crude - Brent		\$73.4100	-\$0.1100
Natural Gas		\$3.4550	\$0.0770
Gasoline		\$1.9885	\$0.0027

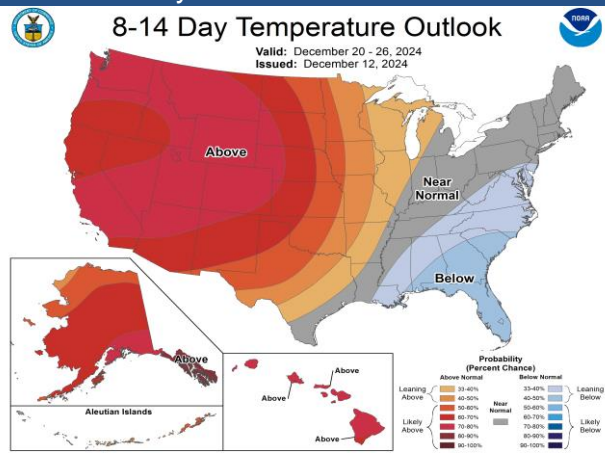
EIA Working Gas Storage Report

	06-Dec-24	29-Nov-24	Change	06-Dec-23
East	856	914	-58	862
Midwest	1055	1115	-60	1,063
Mountain	282	289	-7	244
Pacific	302	310	-8	289
South Central	1251	1310	-59	1,222
Salt	340	362	-22	335
Nonsalt	911	948	-37	886
Total	3747	3937	-190	3,680

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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