

Market Commentary

Recap: The crude oil market continued on its recent upward trend on Friday and posted a weekly gain of 6.09% on prospects of additional sanctions against Russia and Iran. Earlier this week, European Union ambassadors agreed to impose further sanctions on Russia, targeting its shadow tanker fleet, with the U.S. also considering similar moves. The oil market has also been well supported as Britain, France and Germany told the U.N. Security Council that they are ready, if necessary, to trigger international sanctions on Iran to prevent the country from acquiring a nuclear weapon. The crude market posted a low of \$69.87 on the opening and never looked back as it continued to trend higher throughout the session. The market extended its gains to \$1.40 as it posted a high of \$71.42 ahead of the close. The January WTI contract settled up \$1.27 at \$71.29, while the February Brent contract settled up \$1.08 at \$74.49. The product markets also settled higher, with the heating oil market settling up 3.34 cents at \$2.27 and the RB market settling up 1.33 cents at \$2.0018.

Technical Analysis: The oil market will likely retrace some of its sharp gains and will be driven by any news over the weekend. However, any of the market's losses will be remain limited by the expectations of further sanctions on Russia and Iran. The market will also remain supported ahead of the Federal Reserve's meeting on Tuesday and Wednesday, when the policymakers are expected to cut interest rates. The crude market is seen finding resistance at its high of \$71.42, \$71.48-\$71.51, \$71.87 and \$72.41. Meanwhile, support is seen at \$69.87, \$69.14, \$68.44, \$67.72, \$67.08, \$66.98, \$66.53 and \$66.32.

Fundamental News: Kpler data showed that European Union and U.K. diesel and gasoil, including heating oil, imports were on pace to fall in December to around 989,000 bpd, down from 1.03 million bpd in November, which was the lowest level since June. Meanwhile, U.S. diesel exports to the European Union and U.K. were set to increase on the month to 381,000 bpd in December, which would mark the highest level since August. Kpler data also showed that European Union and UK gasoline exports were on pace to fall in December to around 852,000 bpd, down from 1.09 million bpd in November, which was the highest level since August.

Baker Hughes reported that U.S. energy firms this week operated the same number of oil and natural gas rigs as they did last week. The oil and gas rig count was unchanged at 589 in the week ending December 13th. Baker Hughes said oil rigs held steady at 482 this week, while gas rigs increased by one to 103, their highest level since July.

Bloomberg News reported that the United Arab Emirates plans to reduce oil shipments early next year, amid the OPEC+ group's push to seek stronger discipline in meeting production targets. The Abu Dhabi National Oil Co has cut allocation of crude oil cargoes for some customers in Asia, reducing volumes by up to 230,000 bpd across various crude grades.

Alexander Dyukov, the head of Gazprom Neft said that the OPEC+ decision to delay the start of oil output increases by three months until April was justified and has helped to avoid a market surplus. He said an increase in oil production by OPEC+ countries now or at the beginning of 2025 could have caused an imbalance, with supply exceeding demand.

IIR Energy said U.S. oil refiners are expected to shut in about 25,000 bpd of capacity in the week ending December 13th, increasing available refining capacity by 64,000 bpd. Offline capacity is expected to remain at 25,000 bpd in the week ending December 20th and in the week ending December 27th.

Early Market Call - as of 8:45 AM EDT

WTI - Jan \$70.69, down 60 cents
 RBOB - Jan \$1.9895, down 1.23 cents
 HO - Jan \$ 2.2622, down 78 points

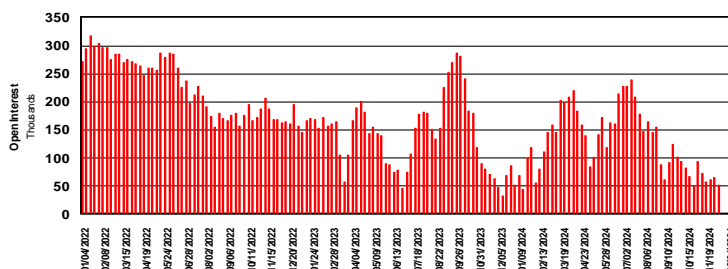
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-25	2.2700	0.0334	0.1374
Feb-25	2.2736	0.0312	0.1344
Mar-25	2.2623	0.0304	0.1296
Apr-25	2.2423	0.0281	0.1213
May-25	2.2285	0.0257	0.1132
Jun-25	2.2211	0.0248	0.1077
Jul-25	2.2244	0.0236	0.1020
Aug-25	2.2289	0.0227	0.0971
Sep-25	2.2351	0.0224	0.0933
Oct-25	2.2409	0.0223	0.0897
Nov-25	2.2432	0.0214	0.0853
Dec-25	2.2440	0.0205	0.0812
Jan-26	2.2479	0.0196	0.0790
Feb-26	2.2455	0.0188	0.0770
Mar-26	2.2356	0.0182	0.0751
Apr-26	2.2195	0.0178	0.0733
May-26	2.2088	0.0174	0.0715

Sprague HeatCurve October 2025-April 2026		\$2.2413
	Close	Change
Crude - WTI	\$70.8200	\$1.1600
Crude - Brent	\$74.4900	\$1.0800
Natural Gas	\$3.2800	-\$0.1750
Gasoline	\$2.0018	\$0.0133

Jan Brent-WTI Spread \$3.67

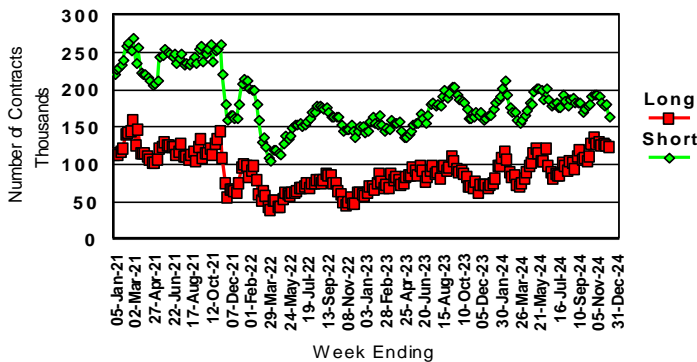
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending December 10, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

