

Market Commentary

Recap: The oil market posted an inside trading day and posted its first weekly gain in almost two months. In a see-saw session, the market posted a high of \$72.22 early in the session as it remained supported by the IEA's higher world oil demand forecasts for next year. However, the market sold off and extended its losses to over \$1.20 as it posted a low of \$70.30 by mid-morning. The market was pressured after New York Federal Reserve President, John Williams pushed back on increasing market expectations for interest rate cuts. He said it was premature to think of lower interest rates. Also, a New York Federal Reserve Bank manufacturing survey showed a third month of declines in new orders, which could be a sign of weaker demand for oil in the coming year. The market later retraced most of its losses and traded towards the \$72.00 level in afternoon trading. The January WTI contract settled down 15 cents or 0.21% at \$71.43 but settled up 20 cents or 0.28% on the week following seven consecutive weeks of losses. The February Brent contract settled down 6 cents or 0.08% at \$76.55 but posted a gain of 71 cents or 0.94% on the week. The product markets ended the session in positive territory, with the heating oil market settling up 2.95 cents at \$2.6208 and the RB market settling up 1.82 cents at \$2.1370.

Technical Analysis: Barring any major news over the weekend, the oil market is still seen trending sideways after the market failed to breach its previous trading range on Friday as its daily stochastics are pointing sideways. The market is seen finding resistance at its high of \$72.22, \$72.46, \$72.60, \$73.65, \$74.12 and \$75.03-\$75.06. Support is seen at \$70.30, \$69.54, \$67.71, followed by \$67.05, \$66.80 and \$65.72.

Fundamental News: Wall Street forecasters see some room for a recovery in oil prices next year, though not a significant rally. Projection for Brent crude in 2024 from five major banks average about \$85/barrel compared with current levels of \$77/barrel. Citigroup holds the lowest estimate at \$75/barrel, while Goldman Sachs has the highest estimate at \$92/barrel. Goldman Sachs sees world oil demand increasing by 1.6 million bpd next year and expects that core OPEC members will keep a tight leash on supplies. Morgan Stanley sees Brent averaging \$85/barrel next year, while Bank of America forecasts an average price of \$90/barrel.

Commerzbank said the OPEC+ production cuts are expected to keep the oil market in balance at the start of 2024 despite weaker demand. It said increasing demand during the course of the year, resulting in a supply deficit should allow Brent prices to increase to \$90/barrel in the second half of 2024. The price of WTI is expected to average \$75/barrel at the end of the first quarter and \$85/barrel in the second half of 2024.

A.P. Moller-Maersk DC instructed any ships en route for the southern entrance of the Red Sea to halt their voyages until further notice following an attack on its Maersk Gibraltar tanker on Thursday.

German container shipping line Hapag-Lloyd paused sailings through the Red Sea until December 18th, hours after reporting one of its ships was attacked near Yemen.

U.S. energy firms this week cut the number of oil and natural gas rigs operating for the first time in five weeks. Baker Hughes said the oil and gas rig count fell by 3 to 623 in the week to December 15th. It said U.S. oil rigs fell by 2 to 501 this week, while gas rigs were unchanged at 119.

IIR Energy said U.S. oil refiners are expected to operate at full capacity in the week ending December 15th, increasing refining capacity by 184,000 bpd from the previous week. No refining capacity is expected to be offline in the week ending December 22nd.

Early Market Call - as of 8:25 AM EDT

WTI - January \$72.90, up \$1.47

RBOB - January \$2.1676, up 3.06 cents

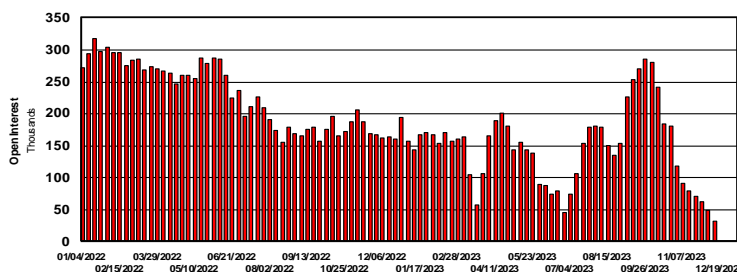
HO - January \$2.6845, up 6.37 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.6208	0.0295	0.0398
Jan-24	2.5971	0.0302	0.0463
Feb-24	2.5592	0.0267	0.0421
Mar-24	2.5136	0.0209	0.0365
Apr-24	2.4821	0.0156	0.0303
May-24	2.4615	0.0104	0.0237
Jun-24	2.4579	0.0077	0.0213
Jul-24	2.4579	0.0065	0.0207
Aug-24	2.4619	0.0061	0.0225
Sep-24	2.4657	0.0051	0.0232
Oct-24	2.4645	0.0039	0.0233
Nov-24	2.4583	0.0024	0.0233
Dec-24	2.4524	0.0010	0.0224
Jan-25	2.4452	-0.0004	0.0224
Feb-25	2.4354	-0.0015	0.0236
Mar-25	2.4195	-0.0026	0.0243
Apr-25	2.4092	-0.0047	0.0225

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Feb Brent-WTI Spread \$4.77	\$71.7800	-\$0.1300
Crude - Brent		\$76.5500	-\$0.0600
Natural Gas		\$2.4910	\$0.0990
Gasoline		\$2.1370	\$0.0182

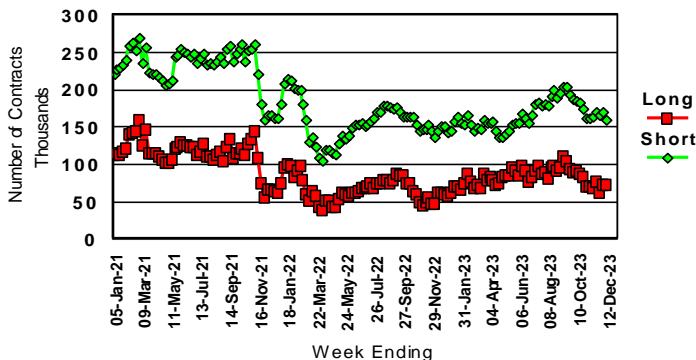
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending December 12, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

