

## Market Commentary

**Recap:** On Friday, the oil market remained steady ahead of the long Christmas holiday weekend as the market remained supported by the concerns over the situation in the Middle East following the Houthi attacks on ships in the Red Sea. The market traded higher in overnight trading and continued on its upward trend as it rallied to a high of \$74.98 by mid-morning. The market was also supported by the inflation data coming in lower than expected, increasing optimism that the U.S. Federal Reserve would lower interest rates next year. However, the market erased its gains and sold off to a low of \$73.39 as traders took some profits ahead of the holiday weekend. The market later settled in a tight trading range as the trading session approached the close. The February WTI contract ended the session down 33 cents at \$73.56, while the February Brent contract settled down 32 cents at \$79.07. The product markets ended slightly lower, with the heating oil market settling down 3.56 cents at \$2.6612 and the RB market settling down 2.84 cents at \$2.1301.

**Technical Analysis:** The oil market on Tuesday will be driven by any further developments over the long holiday weekend. The market remains in its downward trend channel and is seen remaining mostly range bound barring any major development. The crude market is seen finding resistance at its high of \$74.98, \$75.37 to \$75.41, followed by more distant resistance at \$76.81 and \$79.67. Meanwhile, support is seen at \$73.39, \$72.44, \$72.14, \$71.68, \$70.99 and \$70.80. Further support is seen at \$70.64, \$69.82 and \$67.98.

**Fundamental News:** LSEG tracking showed that diesel imports set to arrive in Europe in December so far have reached 5 million tons, compared with 4.4 million tons in November.

According to the Iraqi News Agency, Iraq's oil ministry spokesman Asim Jihad affirmed Iraq's support for the OPEC+ agreement and its commitment to voluntary oil cuts. He added that Iraq's decision comes within the framework of joint efforts to achieve a stable and balanced oil market.

Shipping companies sailing around the Cape of Good Hope to avoid Houthi attacks on the Red Sea face tough choices over where to refuel and restock, as African ports struggle with red tape, congestion and poor facilities. Hundreds of large vessels are rerouting around the southern tip of Africa, a longer route adding 10-14 days of travel, to escape drone and missile attacks by Yemeni Houthis. The attacks by Iranian-backed militants have disrupted international trade through the Suez Canal, the shortest shipping route between Europe and Asia, which accounts for about a sixth of global traffic. Shippers said rough weather with high seas, common at the 'Cape of Storms' as well as the cyclone-prone Mozambique Channel, mean ships could burn through their fuel quicker, making refueling services crucial. Analysts say that in anticipation of more marine fuel being needed, imports are expected to rise to around 230 kilotons in December. Younes Azzouzi, market analyst at data and analytics specialist Kpler, said "South Africa is expecting a record high of fuel oil imports for December," because of demand for refueling linked to the Houthi crisis.

IIR Energy reported that U.S. oil refiners are expected to shut in 14,000 bpd of capacity in the week ending December 22<sup>nd</sup> after operating at full capacity in the previous week. Offline capacity is expected to fall to 10,000 bpd in the week ending January 5, 2024.

**Early Market Call - as of 8:15 AM EDT**

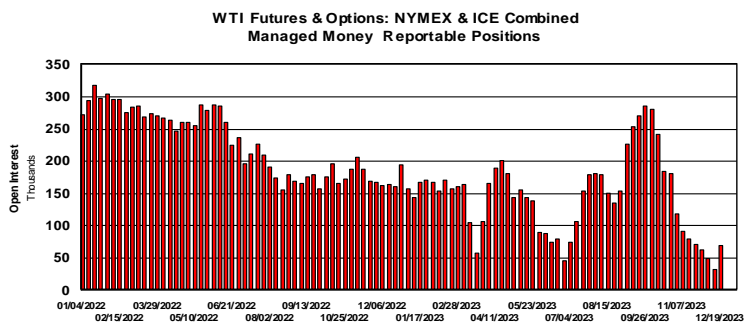
WTI - February \$74.74, up \$1.18  
 RBOB - January \$2.1649, up 3.48 cents  
 HO - January \$2.7050, up 4.38 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.6612	-0.0356	0.0404
Jan-24	2.6358	-0.0344	0.0387
Feb-24	2.5953	-0.0325	0.0361
Mar-24	2.5474	-0.0298	0.0338
Apr-24	2.5096	-0.0282	0.0275
May-24	2.4823	-0.0269	0.0208
Jun-24	2.4731	-0.0276	0.0152
Jul-24	2.4697	-0.0282	0.0118
Aug-24	2.4725	-0.0285	0.0106
Sep-24	2.4752	-0.0285	0.0095
Oct-24	2.4724	-0.0282	0.0079
Nov-24	2.4643	-0.0282	0.0060
Dec-24	2.4566	-0.0282	0.0042
Jan-25	2.4475	-0.0279	0.0023
Feb-25	2.4346	-0.0278	-0.0008
Mar-25	2.4160	-0.0278	-0.0035
Apr-25	2.4026	-0.0278	-0.0066

Sprague HeatCurve October 2024-April 2025			\$2.4524
		Close	Change
Crude - WTI	Feb Brent-WTI Spread \$5.51	\$73.5600	-\$0.3300
Crude - Brent		\$79.0700	-\$0.3200
Natural Gas		\$2.6100	\$0.0380
Gasoline		\$2.1301	-\$0.0284

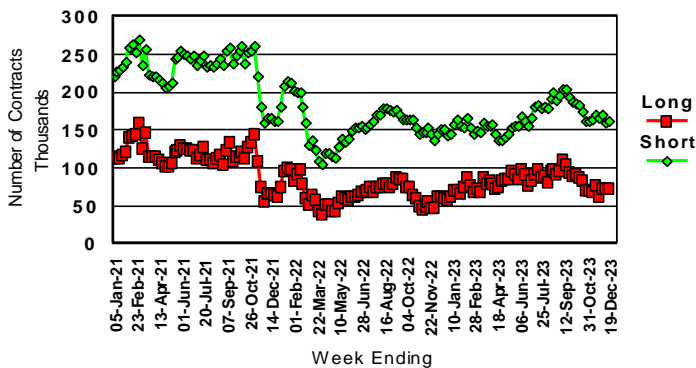
## EIA Working Gas Storage Report



## Commitment of Traders Report for the Week Ending December 19, 2023

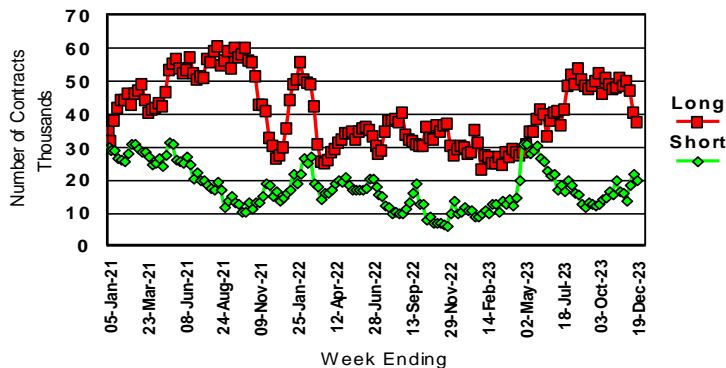
### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report



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