

**Fundamentals:**

Oil prices held near a two-week low on Wednesday after dropping about 7% over the prior three days on forecasts for less oil demand growth and an easing in worries that Middle East conflicts will result in supply disruptions.

Brent futures fell 13 cents, or 0.2%, to \$74.12 a barrel by 11:58 a.m. EDT (1558 GMT), while U.S. West Texas Intermediate (WTI) crude fell 24 cents, or 0.3%, to \$70.34.

"On the top of every ardent bear's wish list are a stuttering Chinese economy, relative calm in the Near East and downward revisions in global oil demand growth. These wishes were granted at the beginning of the week," Tamas Varga, an analyst at TP ICAP's PVM brokerage unit said in a report.

Earlier this week, crude prices fell in response to a weaker demand outlook and a media report that Israel would not strike Iranian nuclear and oil sites, easing fears of supply disruptions.

Iran is a member of the Organization of the Petroleum Exporting Countries (OPEC) and produced about 4.0 million barrels per day (bpd) of oil in 2023, according to data from the U.S. Energy Information Administration (EIA).

Iran was on track to export around 1.5 million bpd in 2024, up from an estimated 1.4 million bpd in 2023, according to analysts and U.S. government reports.

Iran is backing several groups fighting Israel, including Hezbollah in Lebanon, Hamas in Gaza and the Houthis in Yemen.

Concern about an escalation in the conflict between Israel and Iran-backed militant group Hezbollah still persists. Supply curbs by OPEC and its allies including Russia, a group known as OPEC+, remain in place until December when some members are scheduled to start unwinding one layer of cuts.

On the demand side, OPEC and the International Energy Agency this week cut their 2024 global oil demand growth forecasts, with China accounting for the bulk of the downgrades.

The IEA forecast global oil demand would peak before 2030 at less than 102 million bpd and then fall to 99 million bpd by 2035.

Economic stimulus in China, meanwhile, has failed to give oil prices much support. China may raise an additional 6 billion yuan (\$850 billion) from special treasury bonds over three years to stimulate a sagging economy, local media reported.

Weekly U.S. oil storage data is due from the American Petroleum Institute (API) trade group later on Wednesday and the U.S. Energy Information Administration (EIA) on Thursday. The reports were delayed one day for the U.S. Indigenous Peoples' Day holiday on Monday.

Analysts projected U.S. energy firms added about 1.8 million barrels of crude into storage during the week ended Oct. 11.

If correct, that would be the first time energy firms boosted stockpiles for three weeks in a row since April and compares with a withdrawal of 4.5 million barrels during the same week last year and an average increase of 1.1 million barrels over the past five years (2019-2023).

U.S. natural gas futures dropped about 5% to a three-week low on Wednesday on expectations mild weather over the next two weeks will keep demand low.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	NOV 24	70.39	0.01	71.31	69.64
Natural Gas	NOV 24	2.367	-0.121	2.497	2.358
RB Gasoline	NOV 24	204.03	0.74	205.17	201.58
Heating Oil	NOV 24	217.47	-0.96	220.27	215.58
Brent Fin Last Day	DEC 24	74.41	0.16	74.92	73.42
US Dollar Index		103.58	0.321	103.608	103.172

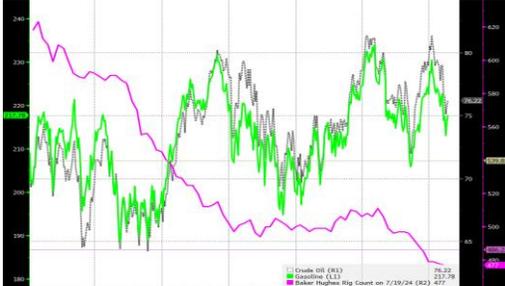
**Bloomberg Survey on U.S. Total Change in Inventories**

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
20/10/2023	1372	-450	156	-1266	13200	421120
13/10/2023	-4491	-550	-2370	-100	13200	419748
6/10/2023	10176	-1400	-1313	-1000	13200	424239
29/9/2023	-2224	50	6481	-300	12900	414063
22/9/2023	-2169	-900	1027	-500	12900	416287
15/9/2023	-2136	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-2666	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-2191	-214	-1250	12800	422944
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622

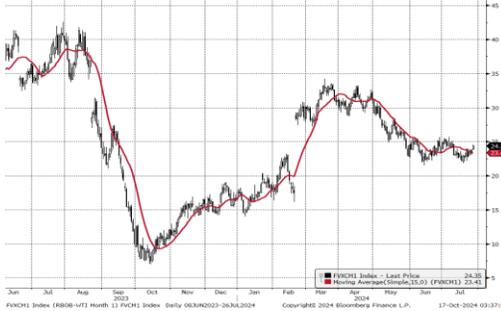
**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior	
10/12/2024 01:00	Baker Hughes U.S. Rig Count	Oct-11	--	586	585
10/12/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-11	--	101	102
10/12/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-11	--	481	479
10/17/2024 22:30	EIA Natural Gas Storage Change	Oct-11	--	--	82
10/17/2024 22:30	EIA Working Natural Gas Implied Flow	Oct-11	--	--	82
10/17/2024 23:00	DOE U.S. Crude Oil Inventories	Oct-11	--	--	5810k
10/17/2024 23:00	DOE Cushing OK Crude Inventory	Oct-11	--	--	1247k
10/17/2024 23:00	DOE U.S. Gasoline Inventories	Oct-11	--	--	-6304k
10/17/2024 23:00	DOE U.S. Distillate Inventory	Oct-11	--	--	-3124k
10/17/2024 23:00	DOE U.S. Refinery Utilization	Oct-11	--	--	-0.90%
10/17/2024 23:00	DOE Crude Oil Implied Demand	Oct-11	--	--	18809
10/17/2024 23:00	DOE Gasoline Implied Demand	Oct-11	--	--	10595.9
10/17/2024 23:00	DOE Distillate Implied Demand	Oct-11	--	--	5538.3
10/19/2024 01:00	Baker Hughes U.S. Rig Count	Oct-18	--	--	586
10/19/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-18	--	--	101
10/19/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-18	--	--	481

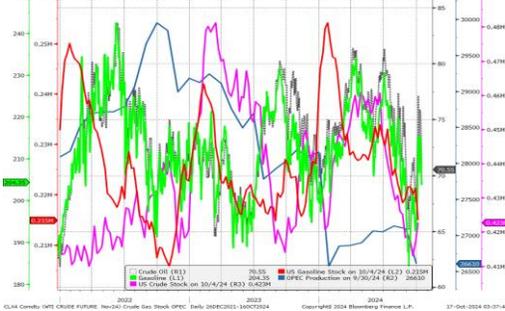
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



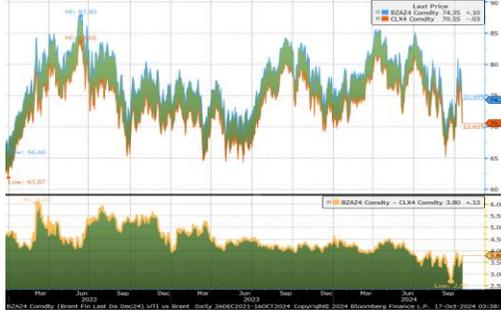
**Normalized RBOB Gasoline minus Nymex Crude Oil Price**



**Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory**



**WTI-Brent Spread**



Source: Bloomberg

**Nymex Crude Daily Chart**

