

# The Commodities Feed: Refined products drive oil prices higher

The oil market rallied yesterday, boosted by the strength of the refined products market



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## Energy – Refined products push oil higher

Oil prices rallied yesterday, with ICE Brent settling more than 1.4% higher on the day, moving back above \$65/bbl. The recent strength in the oil market has been driven by refined products, with gasoline and gasoil cracks surging amid concerns about supply. Continued Ukrainian drone attacks on Russian refineries are a concern for the market, particularly middle distillates. Meanwhile, US sanctions on Lukoil and Rosneft, and what they mean for refining assets outside of Russia, is also a concern for broader product markets. While the outlook for oil is bearish, the strength in the refined products market is proving to be a significant obstacle.

There's still plenty of uncertainty over Russian crude oil flows due to sanctions. Ship tracking data indicate that flows have slowed in recent weeks, with the 4-week average at its lowest level since mid-September. Additionally, data show a significant decline in volumes to China and India. Yet, there's a significant share of Russian seaborne shipments for which the destination is currently unknown, and which could ultimately end up in India and/or China.

Today, OPEC will release its monthly oil market report, offering its outlook for the remainder of this year and into 2026. The Energy Information Administration will release its latest Short-Term Energy Outlook, which includes forecasts for US oil and gas supplies. And finally, the American Petroleum Institute will publish its weekly US crude and refined product inventory numbers. They were delayed by a public holiday in the US yesterday.

## Agriculture- Strong cocoa arrivals

London cocoa prices fell yesterday, with a decline of more than 4.7%, following strong arrivals at ports in the Ivory Coast. Arrivals for the week ending 9 November totalled 107,139 tonnes, up 20% from the same period last year. Better supply prospects, along with previously high prices weighing on grindings. This means the global cocoa market is set to be in surplus through the 2025/26 season, following a small surplus in 2024/25. It's helping alleviate concerns about tightness that have been plaguing the cocoa market for the last several years.

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