

Market Commentary

Recap: The oil market on Tuesday fell as the market remained focused on the expectation that China's sluggish economic activity will impact oil demand. The Also, U.S. central bank officials not ruling out further interest rate increases to curb inflation has been increasing demand concerns. The crude market continued to retrace its previous gains as supply concerns were eased by hopes of a resumption of Iraqi oil exports from a Turkish export terminal. Iraq's and Turkey's oil ministers met on Tuesday and discussed the importance of resuming oil flows after completing pipeline maintenance. Turkey has halted 450,000 bpd of exports since March following an International Chamber of Commerce arbitration ruling. The oil market sold off to \$80.28 but quickly traded to a high of \$80.99 after no agreement was reached to immediately resume Iraq's oil exports. The September WTI contract later settled in a sideways trading range before further selling ahead of its expiration pushed it to a low of \$80.10. The expiring September WTI contract settled down 37 cents at \$80.35 while the October WTI contract settled down 48 cents at \$79.64. The product markets settled in positive territory, with the heating oil market settling up 2.26 cents at \$3.1388 and the RB market settling up 1.65 cents at \$2.7891.

Market Analysis: The market will likely retrace some of its losses following the release of the weekly petroleum stocks reports, which are expected to show draws in crude stocks of close to 3 million barrels. However, the market is still focused on news regarding China's economy and the possibility of further interest rate increases by the Fed. Technically, the oil market is also seen remaining pressured as stochastics are still trending lower. The October WTI contract is seen finding support at its lows of \$79.46, \$79.02, \$78.60, \$78.33, \$78.17 and \$77.93. Meanwhile, resistance is seen at its highs of \$80.37, \$81.75, \$82.33, \$82.51, \$83.16 and \$84.16.

Fundamental News: A statement from Iraq's Oil Ministry said the country's Oil Minister and his Turkish counterpart discussed joint relations in the oil and energy sector at a meeting in Ankara. Iraq's Oil Minister Hayan Abdel-Ghani arrived in the Turkish capital to discuss issues including the resumption of oil exports through the Ceyhan oil terminal. The ministers emphasized the importance of resuming oil flows after finalizing pipeline maintenance. They did not reach an agreement to immediately resume Iraq's northern oil exports but agreed to hold more talks in the future. Turkey halted flows on March 25th after an arbitration ruling by the International Chamber of Commerce ordered Ankara to pay Baghdad damages of \$1.5 billion for unauthorized exports by the Kurdistan Regional Government between 2014 and 2018. Iraqi energy officials said that the visit of the Iraqi oil minister was aimed at reaching common ground with Turkey to agree on a clear date when oil exports should be resumed.

India's Oil Ministry's Petroleum Planning and Analysis Cell reported that the country's crude oil imports in July fell by 6.3% on the year and 1.2% on the month to 19.32 million metric tons. India's product imports in July fell by 4.8% on the year to 3.56 million tons and its product exports increased by 14.3% on the year to 5.36 million tons.

Shell's Nigerian business is investigating a possible leak on its Trans Niger oil pipeline, which passes through the Bodo community in Rivers state, after being alerted to the potential problem on August 18th. The 180,000 bpd pipeline is one of two conduits that export Bonny Light crude from Nigeria. No force majeure has been declared.

The Norwegian Petroleum Directorate said Norway's crude oil output increased to 1.83 million bpd in July from 1.82 million bpd in June, below a forecast of 1.84 million bpd.

Early Market Call - as of 8:35 AM EDT

WTI - October \$78.50, down \$1.14
 RBOB - September \$2.7411, down 4.8 cents
 HO - September \$3.1258, down 1.3 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-23	3.1388	0.0226	0.1108
Oct-23	3.1125	0.0213	0.1015
Nov-23	3.0312	0.0195	0.0734
Dec-23	2.9325	0.0153	0.0513
Jan-24	2.8769	0.0154	0.0355
Feb-24	2.8324	0.0155	0.0247
Mar-24	2.7817	0.0124	0.014
Apr-24	2.7257	0.008	0.0053
May-24	2.6913	0.0068	0.0043
Jun-24	2.6685	0.0072	0.0066
Jul-24	2.6595	0.0077	0.0051
Aug-24	2.6526	0.008	0.0035
Sep-24	2.6461	0.0081	0.0024
Oct-24	2.6363	0.0072	0.0014
Nov-24	2.6229	0.0069	0.0008
Dec-24	2.6062	0.0059	0.0009
Jan-25	2.5895	0.0048	0.0013

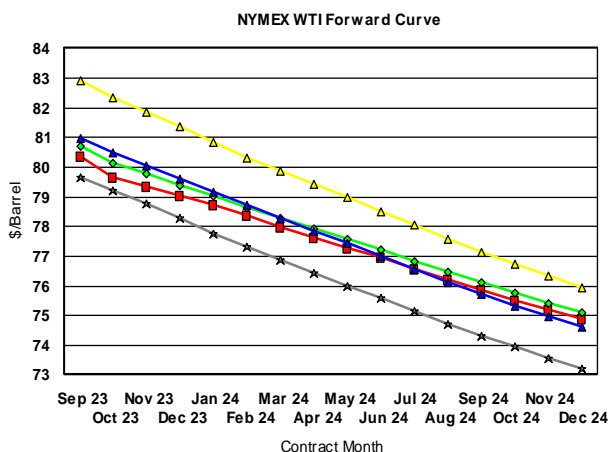
Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$79.6400	-\$0.4800
Crude - Brent	\$84.0300	-\$0.4300
Natural Gas	\$2.5600	-\$0.0720
Gasoline	\$2.7891	\$0.0165

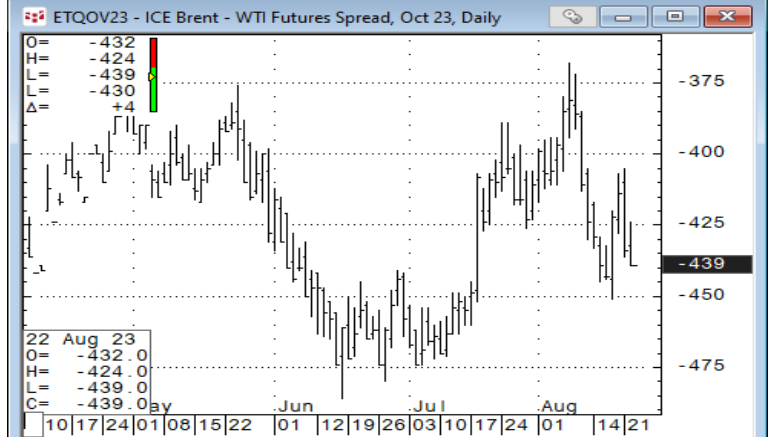
API Report for the Week Ending August 18, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 2.4 million barrels	Down 2.9 million barrels
Gasoline Stocks	Up 1.9 million barrels	Down 900,000 barrels
Distillate Stocks	Down 150,000 barrels	Up 200,000 barrels
Refinery Runs		Up 0.4% at 95.1%

WTI Forward Curve



ICE October Brent-WTI Spread



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