

Market Commentary

Recap: Oil prices fell from their highest level in eight-weeks as the coronavirus continued to spread across India and after the Colonial Pipeline resumed operations approximately 50% of its 5,500 mile long pipeline that had been shuttered due to a cyberattack over the past weekend. Prices also came under pressure as the stock market has been pressured by inflation concerns earlier in the week. A surge in commodity prices, labor shortage and much stronger-than-expected consumer prices data this week have stoked inflation concerns that could force the U.S. Federal Reserve to raise interest rates. June WTI lost \$2.26, or 3.42%, to settle at \$68.82 a barrel, while July Brent settled at \$67.05 a barrel, down \$2.27, or 3.27%. Petroleum products also fell, with June RBOB falling .0657 cents, to settle at \$2.0953 a gallon, while June heating oil slipped .0686 cents, to settle at \$2.0009 a gallon.

Technical Analysis: With the Colonial Pipeline set to be back up to full power over the weekend, the focus has once again shifted back to the coronavirus and its impact on demand, and a global economic recovery. A glimmer of hope for the oil market came out of India, where its largest oil refiner, Indian Oil Corp, issued three tenders to buy crude oil for loading in the next two months. This comes after a one-month hiatus. This is a slow start, but a start none-the-less. June WTI breached the bottom of the ascending channel, but failed to settle below it. A Successful penetration should open up the opportunity for a test back at \$62.27, the top of a previous area of congestion. A break below this level could see this market back down at the \$61 level. In the meantime, we expect for the upside struggle to continue, with \$65 serving as a pivotal area for this market. Above \$65, resistance is set at \$65.75 and \$66.75.

Fundamental News: On Thursday, after a six-day outage, Colonial Pipeline moved some of the first millions of gallons of motor fuels to East Coast states. The Colonial Pipeline Co, which can carry 100 million gallons per day of gasoline, diesel and jet fuel, resumed computer-controlled pumping after adding safety measures. Colonial said it will take several days for deliveries to fully recover and interruptions are possible. On Wednesday, Colonial Pipeline opened portions of the line manually in Georgia, Maryland, New Jersey and the Carolinas. It also accepted 2 million barrels of fuel to begin efforts to "substantially" restore operations by week's end. The average national gasoline price increased over \$3.00/gallon, the highest since October 2014, and prices in some areas jumped as much as 11 cents in a day according to the American Automobile Association.

U.S. Energy Secretary, Jennifer Granholm, said fuel supply constraints in some states along the U.S. East Coast should ease as soon as Thursday, after Colonial Pipeline said it had restarted its pipeline on Wednesday. She added that the current fuel shortages are temporary and that most areas should be back to normal in a couple of days.

Secretary of Homeland Security, Alejandro Mayorkas, said the department has approved a Jones Act waiver request to an individual company to ease fuel supply constraints between Gulf Coast and East Coast ports. Valero Energy was granted a Jones Act waiver after a cyberattack shut the Colonial Pipeline late last week, creating a fuel crunch in several parts of the U.S. southeast and Northeast. Marathon Petroleum and Citgo also requested waivers.

Royal Dutch Shell is seeking alternative supply points and is coordinating with Shell-branded wholesalers to handle the supply and logistical challenges created by the Colonial Pipeline outage.

The Limetree Bay oil refinery in St. Croix has suspended operations after a malfunction sent oil raining onto a nearby neighborhood.

Early Market Call - as of 8:00 AM EDT

WTI - June \$64.59, up 77 cents
 RBOB - June \$2.1062, up 1.09 cents
 HO - June \$2.0124, up 1.15 cents

All NYMEX | Prior Settlements

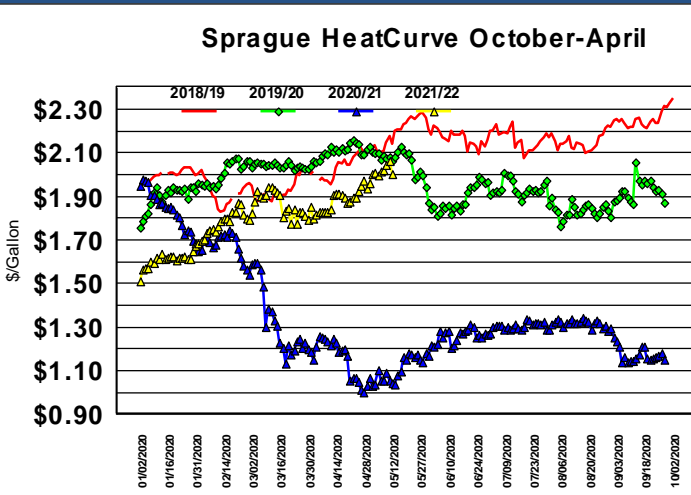
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	2.0009	-0.0686	0.0114
Jul-21	1.9990	-0.0662	0.0082
Aug-21	1.9998	-0.0657	0.0072
Sep-21	2.0022	-0.0655	0.0065
Oct-21	2.0039	-0.0651	0.0059
Nov-21	2.0050	-0.0650	0.0056
Dec-21	2.0043	-0.0651	0.0052
Jan-22	2.0045	-0.0644	0.0049
Feb-22	2.0012	-0.0633	0.0048
Mar-22	1.9932	-0.0622	0.0043
Apr-22	1.9808	-0.0612	0.0039
May-22	1.9736	-0.0605	0.0035
Jun-22	1.9684	-0.0596	0.0030
Jul-22	1.9681	-0.0587	0.0035
Aug-22	1.9684	-0.0578	0.0044
Sep-22	1.9695	-0.0571	0.0055
Oct-22	1.9711	-0.0563	0.0061

Sprague HeatCurve October 2021-April 2022		\$2.0000
	Close	Change
Crude - WTI	\$63.8400	-\$2.2600
Crude - Brent	\$67.0500	-\$2.2700
Natural Gas	\$2.9730	\$0.0040
Gasoline	\$2.0953	-\$0.0657

EIA Working Gas Storage Report

	07-May-21	30-Apr-21	Change	07-May-2020
East	347	332	15	448
Midwest	458	442	16	551
Mountain	131	124	7	116
Pacific	235	224	11	238
South Central	857	836	21	1,054
Salt	269	264	5	339
Nonsalt	588	572	16	716
Total	2,029	1,958	71	2,407

Sprague HeatCurve October-April



WTI Continuation



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.