

Market Commentary

Recap: Oil futures fell on Tuesday, as traders geared up for the Tuesday/Wednesday U.S. Federal Reserve meeting, where another rate hike is expected. Traders were also concerned about sale from the U.S. Strategic Petroleum Reserve. The U.S has recently announced that it would sell up to 10 million barrels for delivery in November. Currently, oil markets remain bearish as a strong dollar and recession fears put additional pressure. October WTI fell \$1.20 a barrel, or 1.49% to \$84.45, while Brent for November delivery lost \$1.38, or 1.50%, to settle at \$90.62 a barrel. Petroleum products ended mixed, with October RBOB losing 2.63 cents per gallon, or 0.66%, to settle at \$2.4478, and October heating oil adding 6.14 cents, or 1.85% to \$3.3722 per gallon.

Market Analysis: The overall technical view for crude oil prices remains bearish, as WTI once again broke below \$85 and as some key technical indicators are pointing toward lower levels. We expect to see continued volatility in this market given the varied read between the underlying fundamentals. As of now, we are aiming for a run at \$80, with support below this level set at \$70.35 and \$65. On the upside, there is resistance set at \$85.10, the current 10-day moving average and above that at \$86.50.

Fundamental News: The head of Saudi Aramco, Amin Nasser, said Europe's plans to cap energy bills for consumers and tax energy companies were not long-term or helpful solutions for the global energy crisis. He said continuing underinvestment in the hydrocarbons sector at a time when alternatives to fossil fuels were still not readily available was among the root causes of the problem.

Industry sources said European diesel buyers are willing to pay more for Russian cargoes than they were in May, as traders look to increase supplies ahead of a difficult winter and global shortage of the fuel. The European Union will stop buying all Russian crude oil delivered by sea from early December and will ban all Russian refined products two months later. A number of large oil firms have already stopped buying from Russia following the invasion of Ukraine. As demand fell for Russian diesel, its discount to the fuel produced elsewhere reached \$30 a ton by May. However, the discount has since narrowed to around \$6/ton in northwest Europe and \$10/ton in the Mediterranean as demand for the fuel has increased. Data from Vortexa shows that although it has declined, Russian diesel continues to make up the largest portion of European imports at 44% this month. A European trader said "Immediate supply is no concern but if (refinery) turnarounds are prolonged or not coming back according to plan, the winter might be a challenge." Traders said that those that are unable to buy Russian diesel will likely look to the United States and China for winter-specification diesel. China is expected to issue a fifth batch of refined fuel export quotas for 2022 in the fourth quarter, which could add global fuel supply.

OPEC+ is producing below its targets by a record 3.58 million bpd or about 3.5% of global demand, highlighting underlying tight supply in the oil market, even as recession fears pressure oil prices lower. Data from OPEC+ showed that shortfall in August was a record and 24% higher than July's 2.89 million bpd in July.

Early Market Call - as of 8:25 AM EDT
WTI - October \$80.60, up 34 cents
RBOB - October \$2.4960, up 48 points
HO - October \$3.3544, down 17 points

All NYMEX | Prior Settlements

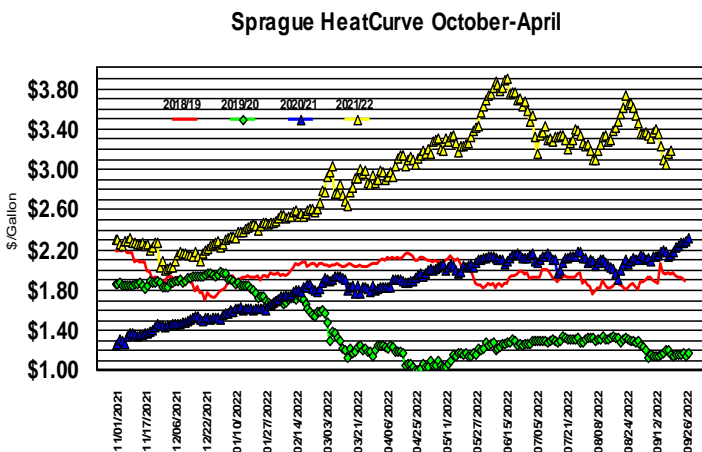
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-22	\$3.3722	\$0.0614	-\$0.1691
Nov-22	\$3.3040	\$0.0452	-\$0.1884
Dec-22	\$3.2435	\$0.0374	-\$0.1896
Jan-23	\$3.1934	\$0.0324	-\$0.1832
Feb-23	\$3.1409	\$0.0271	-\$0.1708
Mar-23	\$3.0759	\$0.0210	-\$0.1563
Apr-23	\$3.0011	\$0.0146	-\$0.1408
May-23	\$2.9468	\$0.0079	-\$0.1233
Jun-23	\$2.9088	\$0.0017	-\$0.1057
Jul-23	\$2.8914	-\$0.0035	-\$0.0887
Aug-23	\$2.8753	-\$0.0084	-\$0.0775
Sep-23	\$2.8580	-\$0.0130	-\$0.0709
Oct-23	\$2.8413	-\$0.0177	-\$0.0650
Nov-23	\$2.8236	-\$0.0215	-\$0.0613
Dec-23	\$2.8043	-\$0.0267	-\$0.0598
Jan-24	\$2.7845	-\$0.0298	-\$0.0576
Feb-24	\$2.7695	-\$0.0310	-\$0.0581

Sprague HeatCurve October 2022-April 2023			\$3.1828
		Close	Change
Crude - WTI	Nov Brent- WTI Spread \$6.68	\$83.9400	-\$1.4200
Crude - Brent		\$90.6200	-\$1.3800
Natural Gas		\$7.7170	-\$0.0350
Gasoline		\$2.4478	-\$0.0163

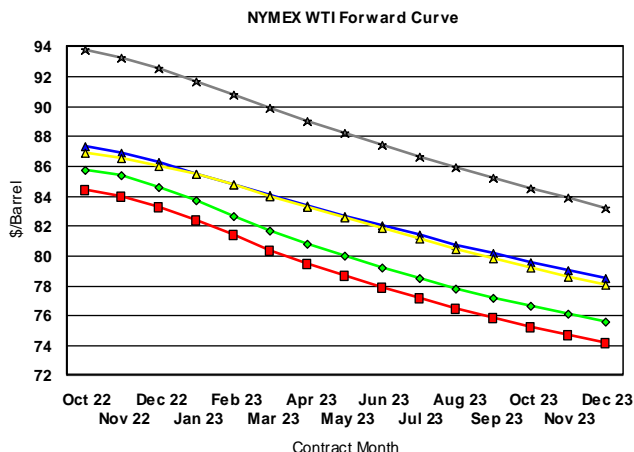
API Report for the Week Ending September 16, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1 million barrel	Up 2.2 million barrels
Gasoline Stocks	Up 3.2 million barrels	Down 400,000 barrels
Distillate Stocks	Up 1.5 million barrels	Up 400,000 barrels
Refinery Runs		Down 0.1% at 91.4%

Sprague HeatCurve October-April



WTI Forward Curve



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