

Market Commentary

Recap: Oil prices gained about \$2 a barrel on Monday on supply jitters, as a key pipeline supplying the United States closed and Russia threatened a production cut even as China's loosening COVID-19 restrictions bolstered the fuel demand outlook. Traders also worried about how long it would take to clean up and restart the Keystone oil pipeline after more than 14,000 barrels of oil leaked last week, the largest U.S. crude oil spill in nearly a decade. The outage is expected to shrink supplies at the Cushing, Oklahoma storage hub, and delivery point for benchmark U.S. crude oil futures. WTI for January delivery gained \$2.15 per barrel, or 3.03% to \$73.17. Brent Crude for February delivery gained \$1.89 per barrel, or 2.48% to \$77.99. RBOB Gasoline for January delivery gained 2.49 cents per gallon, or 1.21% to \$2.0810, while ULSD for January delivery gained 17.48 cents per gallon, or 6.26% to \$2.9685.

Technical Analysis: Short traders possibly traded out of their position and would prefer to be on the sidelines to adjust their expectations after two big economic data points come out this week. Consumer-price index data tomorrow and the Federal Reserve's rate decision on Wednesday are being considered in addition to last week's signals of reduced demand. The next two days are a roll of the dice for crude oil, with demand destruction center stage. January WTI is pushing toward resistance at \$73.46. A successful break above this level allows for a run at the 10-day moving average, which is currently set at \$75.14. Should we get above this technical indicator, we would look for a push toward \$80 and beyond that at \$82. Support is seen at \$70, \$68.73 and \$67.21.

Fundamental News: Canada's TC Energy said it has not yet determined the cause of the 622,000 bpd Keystone oil pipeline leak last week in the United States, while also not giving a timeline as to when the pipeline will resume operation. TC shut the pipeline after more than 14,000 barrels of crude oil spilled into a creek in Kansas on Wednesday, making it one of the largest U.S. crude spills in nearly a decade. Keystone's shutdown will hamper deliveries of Canadian crude both to the U.S. storage hub in Cushing, Oklahoma and to the Gulf, where it is processed by refiners or exported.

Iraq's Oil Minister, Hayan Abdel-Ghani, said the country hopes that economic factors remain the only influence of oil prices, and added that the country is keen to avoid a crisis in the global oil market.

The Tribeca shipping agency said the number of tankers waiting to pass through Istanbul's Bosphorus Strait on the way to the Mediterranean fell to 13 on Monday from 17 on Sunday. A Turkish measure in force since the start of the month has caused shipping delays. It requires vessels to provide proof of insurance covering the duration of their transit through the Bosphorus Strait or when calling at Turkish ports. Five tankers were scheduled to go through the Bosphorus southbound on Monday. The number of ships waiting in the Black Sea to pass through the strait had stood at 20 on Friday. The average waiting time for tankers decreased to 2.8 days from 4.2 days a day earlier. Average waiting time peaked at above 6 days last week. On Sunday, Turkey's maritime authority said four tankers, carrying some 475,000 tons of oil, had provided the necessary insurance letters according to regulations, facilitating their passage through the strait on Monday. In a statement, the authority also said it removed five oil tankers from the country's territorial waters via the Dardanelles Strait, further south than the Bosphorus, as they could not provide confirmation letters for their insurance. At the Dardanelles, two tankers were scheduled to pass through southbound on Monday, while seven tankers were waiting to be scheduled.

Early Market Call - as of 8:30 AM EDT

WTI - January \$74.53, up \$1.37

RBOB - January \$2.1295, up 4.85 cents

HO - January \$3.0475, up 7.90 cents

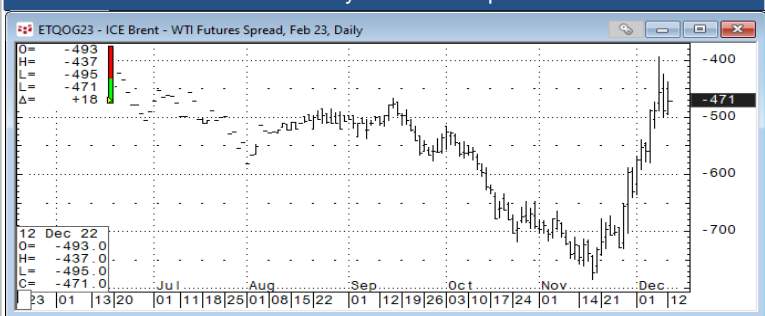
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-23	2.9685	0.1748	-0.0313
Feb-23	2.9397	0.1617	-0.0305
Mar-23	2.8669	0.1375	-0.0483
Apr-23	2.7867	0.1156	-0.0656
May-23	2.7308	0.0978	-0.0764
Jun-23	2.6988	0.0845	-0.081
Jul-23	2.6889	0.0758	-0.0804
Aug-23	2.6858	0.0721	-0.0754
Sep-23	2.6849	0.0709	-0.0679
Oct-23	2.6827	0.0696	-0.0619
Nov-23	2.6775	0.0682	-0.0573
Dec-23	2.6699	0.0668	-0.0537
Jan-24	2.6623	0.0667	-0.0487
Feb-24	2.652	0.0656	-0.0438
Mar-24	2.6337	0.0645	-0.0372
Apr-24	2.6086	0.0626	-0.0308
May-24	2.5976	0.062	-0.0208

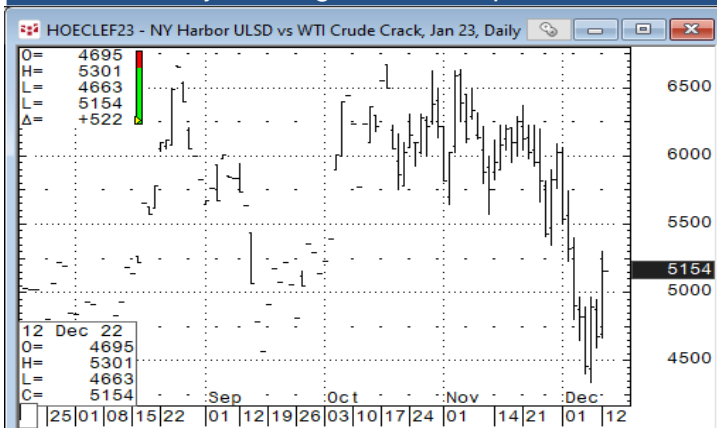
Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$73.2800	\$2.0700
Crude - Brent	\$77.9900	\$1.8900
Natural Gas	\$6.5870	\$0.3420
Gasoline	\$2.0810	\$0.0249

ICE February Brent-WTI Spread



January Heating Oil Crack Spread



January RBOB Crack Spread

