

Market Commentary

Recap: Oil futures climbed on Tuesday in a lightly traded market, as traders grew more optimistic over another round of economic stimulus by U.S. law makers, which may help boost demand and spur the economy. WTI for February delivery gained 38 cents, or 0.8%, to settle at \$48 a barrel. February Brent finished up 23 cents, or 0.5%, closing at \$51.09 a barrel. U.S. equities rallied on Monday, while oil initially rallied, but then reversed course to end the day lower. On Tuesday, equities slipped after a brief gain, while oil gained. A new variant of the virus has kept oil prices below \$50, while renewed lockdowns have hampered near term demand. January RBOB rose 2.02 cents, or 1.5%, to close at \$1.3879 a gallon, while January heating oil gained 0.78 cent, or 0.5%, to settle at \$1.4868 a gallon.

Market Outlook: Oil futures did very little on Tuesday, as most traders have already squared their books before the New Year. WTI has been holding close to the 10-day moving average, which is trending just below \$48. We would look for continued quiet trading, with February WTI trending sideways. Into the New Year, we expect for this market to shoot for the psychological resistance level of \$50. Support is set at the 50-day moving average, which is currently set at \$44.38.

Fundamental News: On Monday, the Democratic-led House of Representatives approved the \$2,000 coronavirus aid checks in a 275-134 vote, and Senate Democrats plan to push Mitch McConnell, the Senate Majority Leader, to allow a floor vote on the legislation. They have threatened to tie up Senate floor procedures until he does. The Senate is already expected to take up a measure to override Trump's veto of a \$740 billion defense policy bill. The House voted to override the veto on Monday by 322-87, with most Republicans voting with a large majority of Democrats. If the Senate seconds the House action, the bill becomes law. It would be the first veto override of Trump's presidency, which ends on January 20th when Democratic President-elect Joe Biden will take office. Senate action on the veto had been expected on Wednesday but could now be delayed by wrangling over the coronavirus aid payments. Later, U.S. Senate Majority Leader, Mitch McConnell, said senators this week will address President Donald Trump's request that \$2,000 stimulus checks be sent to Americans struggling during the COVID-19 pandemic. He also stated that senators will vote on a \$740 billion defense policy bill on Wednesday.

Three of Nigeria's key crude oil program for February emerged on Monday with a sharp increase seen for Bonny Light loadings. Bonny Light will have seven cargos in February at a daily rate of 238,000 bpd, up from January with five cargos at a rate of 153,000 bpd. Bonga and Forcados will have the same number of cargos compared with January at three and eight, respectively, although the daily rate will be higher due to the shorter month.

Basra Oil Company chief, Khalid Hamza, said Iraq's oil exports from its southern ports are stable at 2.7 million bpd so far in December. He said Iraq is fully committed to the OPEC+ oil cut deal.

The North Sea Ekofisk crude stream will load 13 cargoes in February, while the Forties crude stream will load 12 cargoes, the Oseberg crude stream will load 3 cargoes and the North Sea Troll crude stream will load 8 cargoes.

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Early Market Call - as of 9:00 AM EDT

WTI - Feb \$48.36, up 36 cents

RBOB - Jan \$1.4034, up 1.55 cents

HO - Jan \$1.4969, up 1.01 cents

All NYMEX | Prior Settlements

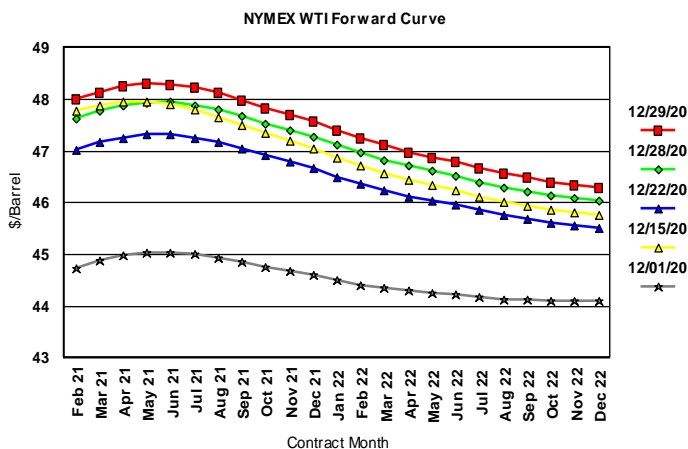
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-21	\$1.4868	\$0.0078	-\$0.0252
Feb-21	\$1.4877	\$0.0079	-\$0.0247
Mar-21	\$1.4871	\$0.0078	-\$0.0237
Apr-21	\$1.4861	\$0.0082	-\$0.0233
May-21	\$1.4865	\$0.0088	-\$0.0237
Jun-21	\$1.4899	\$0.0092	-\$0.0251
Jul-21	\$1.4950	\$0.0093	-\$0.0252
Aug-21	\$1.5002	\$0.0094	-\$0.0251
Sep-21	\$1.5063	\$0.0099	-\$0.0254
Oct-21	\$1.5136	\$0.0104	-\$0.0260
Nov-21	\$1.5202	\$0.0106	-\$0.0259
Dec-21	\$1.5251	\$0.0108	-\$0.0256
Jan-22	\$1.5311	\$0.0109	-\$0.0252
Feb-22	\$1.5326	\$0.0110	-\$0.0249
Mar-22	\$1.5297	\$0.0111	-\$0.0244
Apr-22	\$1.5213	\$0.0113	-\$0.0239
May-22	\$1.5192	\$0.0117	-\$0.0242

		Close	Change
Crude - WTI	Feb Brent-	\$48.0000	\$0.3800
Crude - Brent	WTI Spread	\$51.0900	\$0.2300
Natural Gas	\$3.09	\$2.4670	\$0.1620
Gasoline		\$1.3879	\$0.0202

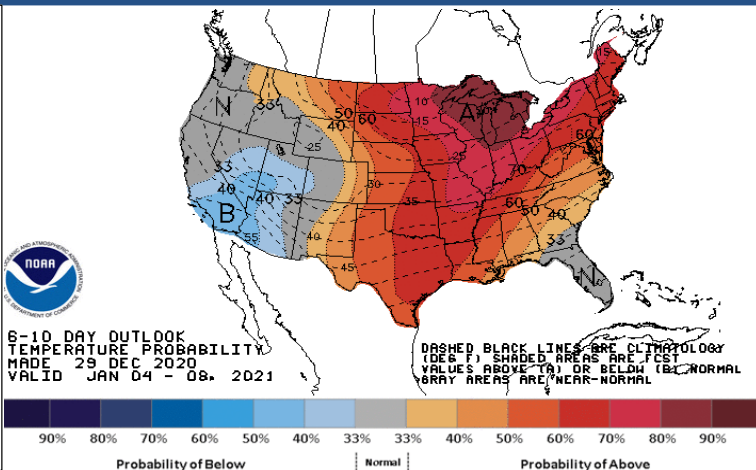
API Report for the Week Ending December 25, 2020

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.8 million barrels	Down 2.6 million barrels
Cushing, OK Crude Stocks	Up 131,000 barrels	
Gasoline Stocks	Down 718,000 barrels	Up 1.7 million barrels
Distillate Stocks	Down 1.9 million barrels	Up 500,000 barrels
Refinery Runs	Up 164,000 bpd	Up 0.6%
Crude Imports	Down 204,000 bpd	

WTI Forward Curve



6-10 Day Weather Forecast



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