



MarketWatch | Refined Products

Thursday, April 21, 2022

Market Commentary

Recap: Wednesday's concerns over tighter supplies due to sanctions against Russia and the whopping 8 million barrel drop in U.S. crude oil inventories overshadowed Tuesday's worries about energy demand after the IMF cut its economic growth outlook. Both benchmarks fell about 5% on Tuesday after the International Monetary Fund cut its global growth forecast by almost a full percentage point, citing the economic impact of Russia's war in Ukraine and warning that inflation had become a "clear and present danger" for many countries. Oil futures traded higher after the release of the EIA report, but shed gains as the session moved forward. May WTI expired at \$102.72 a barrel, up 19 cents, or 0.2%, while the new front month June contract added 14 cents, or 0.1%, to settle at \$102.19 a barrel. May heating oil gained 11.12 cents per gallon, or 2.88%, to close at \$3.9731, while May RBOB gained 3.74 cents, or 1.15%, to settle at \$3.2848 per gallon.

Technical Analysis: Our stance on this market has not changed since yesterday and therefore we are still looking for lower prices. Our first line of support remains the 50-day moving average, which is currently set at 100.39, below that, additional support, is set at the psychological level of \$95, then \$92.93 a barrel. On the upside, resistance is seen at \$103.35, \$105 and above that at \$109.80.

Fundamental News: The European Commission is working to speed up the availability of alternative energy supplies to try to cut the cost of banning Russian oil and persuade Germany and other reluctant EU nations to accept the measure. Diplomats said some EU countries are also pushing for other new restrictions nearly eight weeks after Russia began its invasion of Ukraine.

German Foreign Minister, Annalena Baerbock, said Germany will stop importing oil from Russia by the end of the year, after a meeting with her Baltic counterparts on Wednesday. JP Morgan said in its first annual energy outlook that the world needs an incremental investment of \$1.3 trillion by 2030 to increase all types of energy output and infrastructure from renewables to oil and gas to avoid an energy crunch. It said investment will need to be inclusive of all fuels, including oil and gas, renewables and nuclear, with oil demand alone expected to grow by around 10% by 2030 and gas by 18%. It said global end-use spending on energy was set to increase to 9.5% of GDP in 2022 from a 2015-2019 average of 8.4%. JP Morgan said a further increase in energy costs would pose a greater probability of societal unrest and a slowdown in the energy transition.

Libya's National Oil Corporation media office said the country is currently losing more than 550,000 bpd in oil production from blockades on major fields and export terminals.

S&P Global Platts reported Kazakh officials anticipate loadings of its CPC Blend crude oil returning to normal shortly, following an outage at the Russian port of Novorossiisk that has lasted for nearly a month. Exports could resume as early as the end of this week. Loadings of CPC Blend were completely halted back on March 23rd following the discovery of storm damage to offshore loading facilities.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.11 million bpd of capacity in the week ending April 22nd, increasing available refining capacity by 10,000 bpd. Offline capacity is expected to fall to 972,000 bpd in the week ending April 29th.

Early Market Call - as of 9:51 AM EDT
WTI - June \$103.91 up \$1.72 per barrel
RBOB - May \$3.3183 up 3.35 cents per gallon
HO - May \$3.2750 down 9.81 cents per gallon

All NYMEX | Prior Settlements

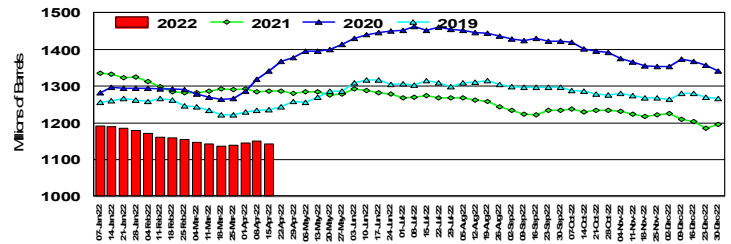
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-22	3.9731	0.1112	0.2547
Jun-22	3.6674	0.0902	0.1397
Jul-22	3.4976	0.0782	0.0903
Aug-22	3.3800	0.0718	0.0635
Sep-22	3.3072	0.0720	-0.0093
Oct-22	3.2466	0.0688	0.0284
Nov-22	3.1885	0.0640	0.0107
Dec-22	3.1368	0.0594	-0.0034
Jan-23	3.1000	0.0576	-0.0118
Feb-23	3.0667	0.0577	-0.0161
Mar-23	3.0275	0.0575	-0.0196
Apr-23	2.9833	0.0573	-0.0246
May-23	2.9449	0.0572	-0.0268
Jun-23	2.9118	0.0577	-0.0271
Jul-23	2.8865	0.0577	-0.0281
Aug-23	2.8640	0.0577	-0.0304
Sep-23	2.8478	0.0574	-0.0312

Sprague HeatCurve October 2022-April 2023

	Close	Change
Crude - WTI	\$102.1900	\$0.1400
Crude - Brent	\$106.8000	-\$0.4500
Natural Gas	\$6.9370	-\$0.2390
Gasoline	\$3.2848	\$0.0374

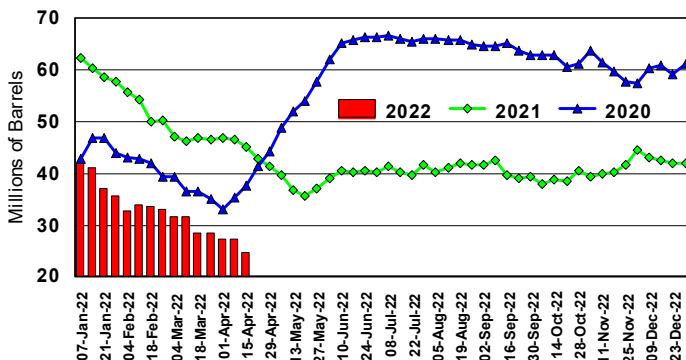
June Brent-WTI Spread
\$4.61

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 15, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 8 million barrels
Cushing, OK Crude Stocks Down 185,000 barrels
Gasoline Stocks Down 761,000 barrels
Distillate Stocks Down 2.7 million barrels
Refinery % Operated 91%, Up 1%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 15, 2022	Week Ending Apr 8, 2022	Week Ending Apr 16, 2021
New England	4.3	4.5	8.9
Central Atlantic	10.9	11.1	22.6
Total PADD #1	24.7	27.4	45.2
Distillate Imports (thousands b/d)	86	75	114

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