

Market Commentary

Recap: Oil futures shed early gains to trade lower for most of the session as weak consumer sentiment weighed on fuel demand, and as the Biden administration announced more crude sales from its Strategic Petroleum Reserves. This marks the fifth sale that the President has authorized in an effort to shore up crude oil supplies in the wake of Russia's invasion of Ukraine. U.S. consumer confidence dropped to nearly a 1-1/2 year low in July amid persistent worries about higher inflation and rising interest rates, pointing to slower economic growth at the start of the third quarter, according to a survey from the Conference Board. The market was supported earlier in the session on news that Russia was tightening its gas squeeze on Europe on Monday as Gazprom said supplies through the Nord Stream 1 pipeline to Germany would drop to only 20% of capacity. September WTI lost \$1.72 per barrel, or 1.78% to \$94.98, while September Brent fell 75 cents, or 0.71%, to \$104.40 a barrel. Petroleum products finished mixed, with August RBOB losing 2.70 cents per gallon, or 0.80% to \$3.3550 and August heating oil adding 6.73 cents, or 1.91%, to settle at \$3.5839 a gallon.

Market Analysis: WTI continued its sideways move, while dancing around the 200-day moving average. The slow stochastics are pointing to the downside above oversold conditions, indicating that this market has the potential to head lower. That being said, we are looking for a dip down toward the \$90 area, but first we need a settlement below the 200-day moving average, which is currently set at \$94.93. Below \$90, additional support is seen at \$86. To the upside, resistance is set at the downward trend line, which is currently set at \$98.40.

Fundamental News: The Biden administration said it will sell an additional 20 million barrels of oil from the SPR as part of a previously announced release from the facility. In late March, the administration said it would release a record 1 million bpd of oil for six months from the SPR.

Kpler reported that some 166,000 mt of gasoline was expected to load in Northwest Europe for export to the USAC this week, down some 18,000 mt from the previous week. Kpler also estimated the four week moving average of U.S. diesel exports to Northwest Europe reached 5.9 million barrels in the week ending July 22nd, the highest level since September 2019.

Colonial Pipeline Co is allocating space for Cycle 43 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

TC Energy confirmed that over this past weekend normal operations had resumed along the Keystone oil pipeline network after a nearly week long reduction due to a damaged electric substation.

The International Monetary Fund cut global growth forecasts again on Tuesday, warning that downside risks from high inflation and the Ukraine war were materializing and could push the world economy to the brink of recession if left unchecked. In an update of its World Economic Outlook, the IMF said global real GDP growth will slow to 3.2% in 2022 from a forecast of 3.6% issued in April. It added that world GDP actually contracted in the second quarter due to downturns in China and Russia. The Fund cut its 2023 growth forecast to 2.9% from the April estimate of 3.6%, citing the impact of tighter monetary policy. The IMF said it now expects the 2022 inflation rate in advanced economies to reach 6.6%, up from 5.7% in the April forecasts, adding that it would remain elevated for longer than previously anticipated.

Early Market Call - as of 8:50 AM EDT

WTI - September \$96.13, up \$1.15
 RBOB - August \$3.3971, up 4.21 cents
 HO - August \$3.6342, up 5.03 cents

All NYMEX | Prior Settlements

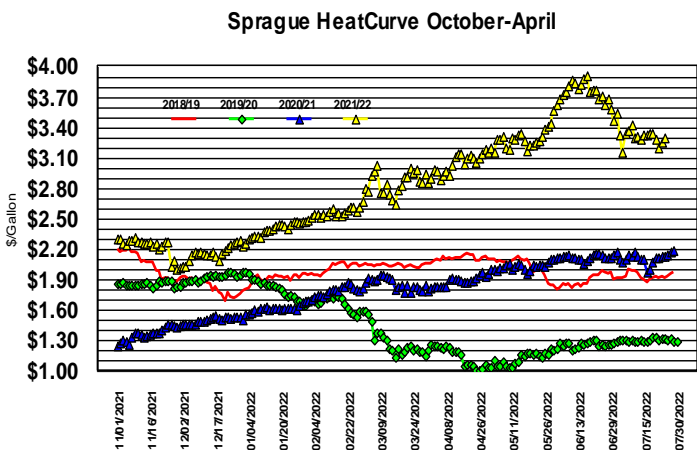
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-22	\$3.5839	\$0.0673	-\$0.0429
Sep-22	\$3.5255	\$0.0658	-\$0.1013
Oct-22	\$3.4692	\$0.0599	-\$0.0386
Nov-22	\$3.4139	\$0.0523	-\$0.0350
Dec-22	\$3.3601	\$0.0451	-\$0.0370
Jan-23	\$3.3129	\$0.0401	-\$0.0391
Feb-23	\$3.2582	\$0.0369	-\$0.0387
Mar-23	\$3.1914	\$0.0353	-\$0.0387
Apr-23	\$3.1233	\$0.0327	-\$0.0389
May-23	\$3.0754	\$0.0279	-\$0.0404
Jun-23	\$3.0368	\$0.0241	-\$0.0414
Jul-23	\$3.0158	\$0.0226	-\$0.0328
Aug-23	\$2.9947	\$0.0217	-\$0.0229
Sep-23	\$2.9683	\$0.0210	-\$0.0143
Oct-23	\$2.9480	\$0.0210	-\$0.0075
Nov-23	\$2.9312	\$0.0210	-\$0.0010
Dec-23	\$2.9167	\$0.0209	\$0.0033

Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	Aug Brent- WTI Spread \$9.42	\$94.9800	-\$1.7200
Crude - Brent		\$104.4000	-\$0.7500
Natural Gas		\$8.9930	\$0.2660
Gasoline		\$3.3550	-\$0.0270

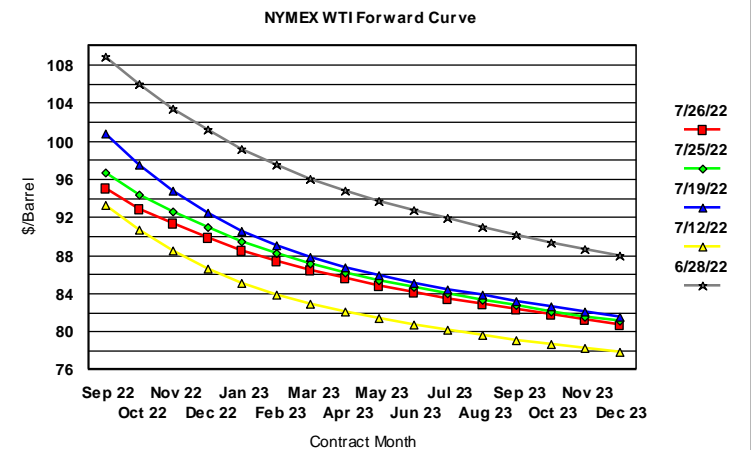
API Report for the Week Ending July 22, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 4.0 million barrels	Down 800,000 barrels
Gasoline Stocks	Down 1.1 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 554,000 barrels	Down 200,000 barrels
Refinery Runs		Up 0.3% at 94%

Sprague HeatCurve October-April



WTI Forward Curve



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