

## Market Commentary

**Recap:** The oil market continued on its upward trend and posted a 10-month high early in the day on supply concerns and weakness in the dollar. However a rebound in the dollar index pushed the oil market to its lows in afternoon trading. The crude market breached its previous high and rallied to a high of \$93.74 by mid-morning as the EIA estimated that U.S. oil output from top shale producing regions were on track to fall to 9.393 million bpd in October, the lowest level since May 2023. The market breached the upper boundary of its upward trending channel as it rallied to a level not seen since November. However, the market erased its gains and sold off to a low of \$91.13 ahead of the close. The October WTI contract settled down 28 cents at \$91.20 and the November Brent contract settled down 9 cents at \$94.34. The product markets ended the session mixed, with the heating oil market settling up 8.56 cents at \$3.3739 and the RB market settling down 3.98 cents at \$2.6581.

**Market Analysis:** The oil market will seek further direction from the weekly petroleum stocks reports, which are expected to show draws across the board, which will keep the market supported. The market is also positioning itself ahead the Federal Reserve's meeting, with the market expecting the Fed to leave interest rates unchanged. Technically, the crude market's daily stochastics crossed to the downside, suggesting that the market may see a correction. The oil market is seen finding support at its low of \$91.07, \$90.75, \$89.22, \$88.68, \$88.29, \$88.04 followed by \$87.49 and \$87.22. Resistance is seen at \$92.10, \$93.05, its high of \$93.74 and \$94.12.

**Fundamental News:** LyondellBasell Industries said slow economic activity and lack of import demand from China is impacting global supply and demand balances. It said refined product inventories remain low and fuel demand remains stable. It said underlying demand in North America is steady but tepid and added the consumer uncertainty and energy volatility are restraining demand in Europe.

Mexico's Pemex has resumed dealing with Vitol, nearly three years since deals with the world's largest independent energy trader were banned over a graft scandal. The ban followed Swiss-based Vitol's public acknowledgement in December 2020, in a deal with the U.S. Department of Justice, that it had paid kickbacks to win business with Pemex, as well as state companies in Brazil and Ecuador.

Russia is pushing more crude onto the market even as it says it will extend supply cuts to the end of the year along with Saudi Arabia. That increased Russia's seaborne flows to a three-month high. Tanker-tracking data compiled by Bloomberg show that average nationwide shipments in the four weeks ending September 17<sup>th</sup> increased to 3.34 million bpd, up 465,000 bpd from the period ending August 20<sup>th</sup> with the increases concentrated at the Baltic ports of Primorsk and Ust-Luga and Novorossiisk on the Black Sea.

The OECD forecast that a stronger than expected U.S. economy is helping to keep a global slowdown in check this year but a weakening Chinese economy will prove to be a bigger drag next year. After expanding 3.3% last year, global GDP growth is on course to slow to 3.0% this year. While that was an upgrade from 2.7% in the OECD's June outlook, global growth was expected to slow to 2.7% in 2024, down from its estimate of 2.9% in June.

### Early Market Call - as of 8:15 AM EDT

WTI - October \$90.36, down 84 cents

RBOB - October \$2.6287, down 2.94 cents

HO - October \$3.3192, down 5.47 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.3739	0.0856	0.0456
Oct-23	3.2925	0.0678	0.0375
Nov-23	3.1589	0.0558	0.0329
Dec-23	3.0926	0.044	0.039
Jan-24	3.0447	0.0368	0.0429
Feb-24	2.9839	0.0304	0.041
Mar-24	2.912	0.0243	0.0358
Apr-24	2.8677	0.0196	0.0324
May-24	2.8356	0.0149	0.0291
Jun-24	2.8157	0.0121	0.0255
Jul-24	2.802	0.0106	0.024
Aug-24	2.7938	0.01	0.0251
Sep-24	2.7845	0.0092	0.0265
Oct-24	2.7706	0.0073	0.0275
Nov-24	2.7526	0.0053	0.0261
Dec-24	2.7336	0.0038	0.0261
Jan-25	2.71	0.003	0.0272

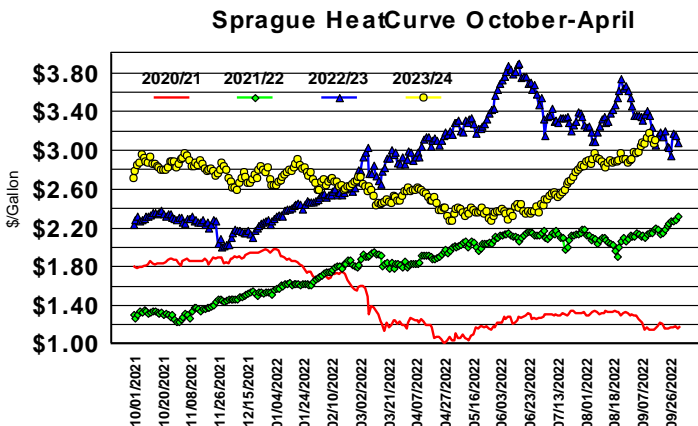
### Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$90.4800	-\$0.1000
Crude - Brent	\$94.3400	-\$0.0900
Natural Gas	\$2.8480	\$0.1200
Gasoline	\$2.6581	-\$0.0398

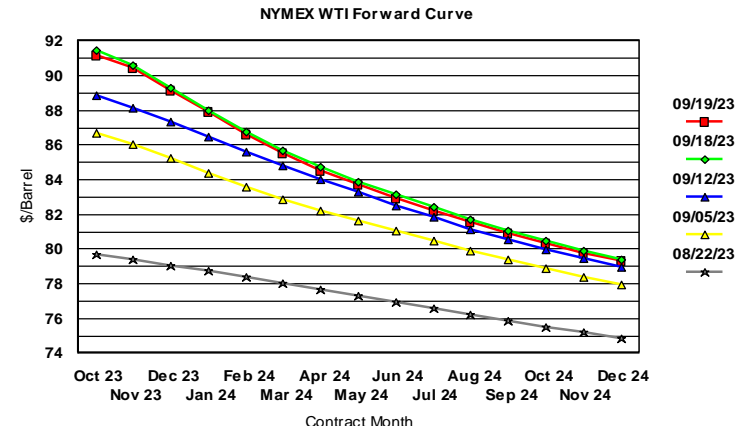
### API Report for the Week Ending September 15, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 5.25 million barrels	Down 2.7 million barrels
Gasoline Stocks	Up 730,000 barrels	Down 2.2 million barrels
Distillate Stocks	Down 258,000 barrels	Down 480,000 barrels
Refinery Runs		Down 0.5% at 93.5%

## Sprague HeatCurve October-April



## WTI Forward Curve



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