

Market Commentary

Recap: The oil market continued to trend lower on Wednesday, extending the losses seen during Tuesday's session as weak economic data raised concerns over a recession. The market retraced some of its previous losses in overnight trading as it traded to a high of \$77.93. However, the market erased its gains and sold off sharply to a low of \$74.05 ahead of the close after completely backfilling its gap from early this month at \$75.83. The market retraced almost 50% of its move from a low of \$64.58 to a high of \$83.38 as it extended its losses in afternoon trading. The oil market was pressured despite the EIA report showing draws across the board, with a larger than expected draw in crude stocks of over 5 million barrels. Demand concerns and renewed recessionary fears overshadowed the supportive EIA report. The June WTI contract settled down \$2.77 at \$74.30 and the Brent contract settled down \$3.08 at \$77.69. The product market ended the session in negative territory, with the heating oil market settling down 7.81 cents at \$2.3730 and the RB market settling down 3.92 cents at \$2.5494.

Technical Analysis: The oil market on Thursday will likely retrace some of its sharp losses before it continues on its downward trend as stochastics are still pointing down. The market is seen testing its support at its low of \$74.05 followed by \$73.98, its 50% retracement level, \$72.76, \$72.33 and \$71.76, its 62% retracement level. More distant support is seen at \$69.27 and \$67.02. Meanwhile, resistance is seen at \$74.50, \$75.82, \$77.22 and its high of \$77.93. More distant resistance is seen at \$79.07 and \$79.18.

Fundamental News: The EIA reported that U.S. product supplied of gasoline increased in the latest week to the highest level since December 2021. U.S. product supplied increased by 992,000 bpd to 9.51 million bpd in the week ending April 21st. The EIA also reported that crude oil stocks held in the SPR fell by 5.1 million barrels on the week to 460.9 million barrels, the lowest level since October 1983.

Russian Deputy Prime Minister Alexander Novak said that OPEC+ remains an efficient tool for coordination on global oil markets and added that there are risks to energy security without OPEC+. He said the group was not regulating oil prices but rather was closely watching the balance of supply and demand. He said that he hoped there would be an opportunity for in-person meetings of the OPEC+ oil-producing group. He said that reaching agreement among the organization's membership was sometimes difficult. Separately, Russia's Deputy Prime Minister said that the Russian energy sector had successfully coped with severe Western sanctions imposed on it after Moscow launched what it calls a "special military operation" in Ukraine on February 24, 2022. He said that 20% of Russian oil previously supplied to Europe had been rerouted to other markets such as Asia, showing the resiliency of its energy sector. He said the total balance of oil supply and demand has not changed.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.08 million bpd of capacity in the week ending April 28th, increasing available refining capacity by 34,000 bpd. Offline capacity is expected to fall to 479,000 bpd in the week ending May 5th.

The Association of American Railroads reported that its weekly railcar loadings on major U.S. railroads in the week ending April 26th increased by 5.1% on the year to 240,584. It reported that the number of railcar loadings transporting petroleum and petroleum products fell by 2.3% on the year to 9,855.

Early Market Call - as of 8:20 AM EDT

WTI - May \$74.47, up 17 cents
 RBOB - May \$2.5415, down 79 points
 HO - May \$2.3759, up 29 points

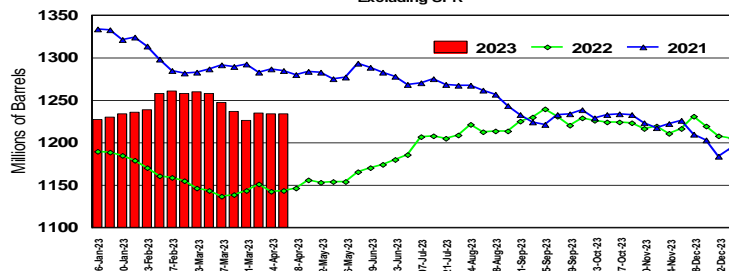
All NYMEX | Prior Settlements

| Month | ULSD (HO) Close | Prior Settle Change | Change In One Week |
|--------|-----------------|---------------------|--------------------|
| May-23 | 2.3730 | -0.0781 | -0.1847 |
| Jun-23 | 2.3692 | -0.0785 | -0.1709 |
| Jul-23 | 2.3700 | -0.0792 | -0.1650 |
| Aug-23 | 2.3770 | -0.0779 | -0.1583 |
| Sep-23 | 2.3859 | -0.0754 | -0.1509 |
| Oct-23 | 2.3916 | -0.0733 | -0.1453 |
| Nov-23 | 2.3914 | -0.0721 | -0.1420 |
| Dec-23 | 2.3885 | -0.0711 | -0.1397 |
| Jan-24 | 2.3893 | -0.0696 | -0.1362 |
| Feb-24 | 2.3861 | -0.0670 | -0.1315 |
| Mar-24 | 2.3747 | -0.0650 | -0.1270 |
| Apr-24 | 2.3539 | -0.0635 | -0.1234 |
| May-24 | 2.3433 | -0.0620 | -0.1200 |
| Jun-24 | 2.3344 | -0.0606 | -0.1167 |
| Jul-24 | 2.3302 | -0.0593 | -0.1132 |
| Aug-24 | 2.3261 | -0.0582 | -0.1105 |
| Sep-24 | 2.3224 | -0.0573 | -0.1080 |

Sprague HeatCurve October 2023-April 2024 \$2.3836

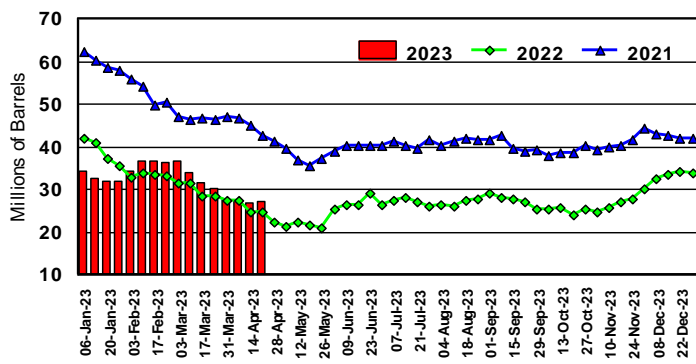
| | Close | Change |
|---------------|-----------|-----------|
| Crude - WTI | \$74.3000 | -\$2.7700 |
| Crude - Brent | \$77.6900 | -\$3.0800 |
| Natural Gas | \$2.1170 | -\$0.1900 |
| Gasoline | \$2.5494 | -\$0.0392 |

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 21, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 5.054 million barrels
 Cushing, OK Crude Stocks Up 319,000 barrels
Gasoline Stocks Down 2.408 million barrels
Distillate Stocks Down 577,000 barrels
Refinery % Operated 91.3%, up 0.3%

PADD #1

| | Week Ending Apr 21, 2023 | Week Ending Apr 14, 2023 | Week Ending Apr 22, 2022 |
|------------------------------------|--------------------------|--------------------------|--------------------------|
| Distillate Stocks (in million bbl) | | | |
| New England | 4.0 | 3.9 | 3.9 |
| Central Atlantic | 12.6 | 12.3 | 10.7 |
| Total PADD #1 | 27.1 | 26.9 | 24.7 |
| Distillate Imports (thousands b/d) | 79 | 106 | 93 |