

Market Commentary

Recap: The oil market retraced some of its recent gains on Wednesday ahead of the October contract's expiration at the close. The market opened 35 cents higher at \$91.55 and continued to find some selling pressure in overnight trading following Tuesday's sell off from its highs. The market sold off to \$89.90 before it retraced some of its losses and posted a high of \$91.98 by mid-day following the release of the EIA's weekly petroleum stocks report. The EIA reported draws across the board, with draws of over 2 million barrels in both crude stocks and distillate stocks. The crude market traded sideways as traders awaited the Federal Reserve's interest rate decision ahead of the close. The market sold off sharply and posted a low of \$89.87 ahead of the October contract's expiration at the close. This followed the news that the Fed decided to leave rates unchanged but see another 25 basis point rate increase by the end of the year. The October WTI contract went off the board down 92 cents at \$90.28, while the November WTI contract settled down 82 cents at \$89.66. The November Brent contract settled down 81 cents at \$93.53. The product markets also ended the session lower, with the heating oil market settling down 4.71 cents at \$3.3268 and the RB market settling down 3.89 cents at \$2.6192.

Technical Analysis: The oil market is seen trending lower as its stochastics have crossed to the downside following its sell off on Wednesday. The market may continue to trend lower after the Fed said it may increase interest rates again by the end of the year. The market is seen finding support at its low of \$88.97, \$88.65, \$88.04, followed by \$87.66, \$87.32 and \$86.66. Meanwhile, resistance is seen at its high of \$91.07, \$92.43 and \$93.25.

Fundamental News: The EIA reported that U.S. crude oil stocks fell by 2.1 million barrels in the week ending September 15th. Crude stocks held in storage at Cushing, Oklahoma fell by 2.06 million barrels on the week to 22.9 million barrels, the lowest level since July 2022. It reported that U.S. Midwest crude stocks fell by 3.2 million barrels on the week to 101.5 million barrels, the lowest level since June 2022.

Bloomberg reported that the trading arm of TotalEnergies is bidding up the U.S. physical crude market. WTI crude for delivery at the Cushing hub has increased to its highest premium since November, in addition to futures prices increasing over \$90/barrel, overseas buyers must pay an additional \$1-\$2/barrel to have the crude shipped to the Gulf Coast for export. The price increase will eventually translate to higher gasoline and fuel costs in the U.S. and beyond, threatening to add to the pace of inflation everywhere. Bloomberg reported that TotalEnergies' willingness to pay higher prices for WTI crude is a reflection that high refining margins are driving competition for U.S. oil and global supplies have tightened significantly.

Alexander Dyukov, head of Russia's Gazprom Neft, said the OPEC+ group of leading oil producers will act if the global oil market faces a shortage. He said that the global oil market is balanced, while the oil price is "fair".

Russia's Deputy Prime Minister, Alexander Novak, said that Russia will reduce oil exports until the year-end by 300,000 bpd from the average level seen in May-June.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.4 million bpd of capacity in the week ending September 22nd, cutting available refining capacity by 562,000 bpd. Offline capacity is expected to increase to 1.7 million bpd in the week ending September 29th.

Early Market Call - as of 8:45 AM EDT

WTI - November \$89.84, up 19 cents

RB0B - October \$2.6328, up 1.36 cents

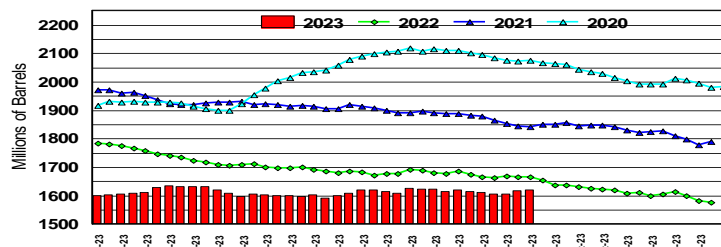
HO - October \$3.4206, up 9.38 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.3268	-0.0471	-0.1086
Oct-23	3.2456	-0.0469	-0.0985
Nov-23	3.1183	-0.0406	-0.0788
Dec-23	3.0547	-0.0379	-0.0589
Jan-24	3.0116	-0.0331	-0.0430
Feb-24	2.9537	-0.0302	-0.0349
Mar-24	2.8846	-0.0274	-0.0304
Apr-24	2.8429	-0.0248	-0.0260
May-24	2.8132	-0.0224	-0.0218
Jun-24	2.7962	-0.0195	-0.0180
Jul-24	2.7854	-0.0166	-0.0135
Aug-24	2.7795	-0.0143	-0.0090
Sep-24	2.7716	-0.0129	-0.0058
Oct-24	2.7591	-0.0115	-0.0031
Nov-24	2.7425	-0.0101	-0.0023
Dec-24	2.7246	-0.0090	-0.0006
Jan-25	2.7021	-0.0079	0.0025

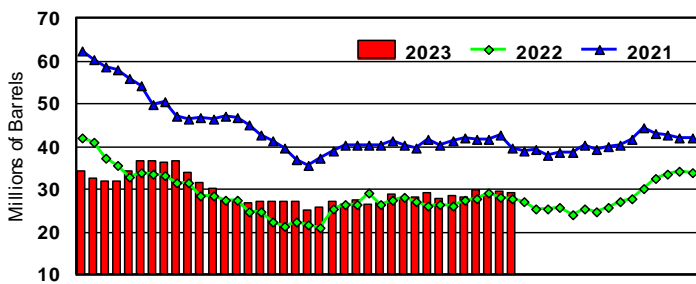
Sprague HeatCurve October 2023-April 2024				\$3.0688
		Close	Change	
Crude - WTI	Nov Brent-WTI Spread \$3.87	\$89.6600	-\$0.8200	
Crude - Brent		\$93.5300	-\$0.8100	
Natural Gas		\$2.7330	-\$0.1150	
Gasoline		\$2.6192	-\$0.0389	

Total U.S. Oil Stocks Including SPR



Weekly EIA Petroleum Status Report for the Week Ending September 15, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.136 million barrels

Cushing, OK Crude Stocks Down 2.064 million barrels

Gasoline Stocks Down 831,000 barrels

Distillate Stocks Down 2.867 million barrels

Refinery % Operated 91.9%, down 1.8%

PADD #1

	Week Ending Sep 15, 2023	Week Ending Sep 8, 2023	Week Ending Sep 16, 2022
Distillate Stocks (in million bbl)			
New England	3.6	3.7	3.7
Central Atlantic	15.7	15.6	12.5
Total PADD #1	29.2	29.4	27.9
Distillate Imports (thousands b/d)	50	156	94