

Market Commentary

Recap: Oil futures rose on Tuesday, as an important pipeline to the U.S. remained shut amid what potentially could be one of the coldest of cold snaps in decades. This, along with Russia suggesting it might cut production and a cooler than expected U.S. inflation reading pressured the U.S. dollar, which in turn provided support to oil priced in dollars. Oil prices are still down about 15% over the past month and are near the levels from the start of the year, before Russia's invasion of Ukraine sent prices soaring. Rising interest rates and an economic slowdown in China as it copes with renewed COVID outbreaks continue to weigh on the market. January WTI rose \$2.22, or 3%, to settle at \$75.39 a barrel. Brent Crude for February delivery gained \$2.69 per barrel, or 3.45% to \$80.68. RBOB Gasoline for January delivery gained 7.99 cents per gallon, or 3.84% to \$2.1609, while ULSD for January delivery gained 12.37 cents per gallon, or 4.17% to \$3.0922.

Market Analysis: US crude oil prices are now 6.7% higher since the week began, marking one of the largest two-day gains of the year. The price-surge follows a six-session streak of declines through Friday, when WTI crude closed at \$71.02 a barrel, the lowest closing price since Dec. 20. Part of the reason for this week's rebound in oil prices is a weaker dollar. Crude prices often move inversely to sharp swings in US currency because oil is bought and sold in dollars. The WSJ Dollar Index was recently 1.2% lower, fueled by a lower-than-expected consumer inflation reading for the month of November. With some supportive fundamentals kicking in and January WTI breaching the \$75 level, we would look for a push toward \$80. Above this level is the 50-day moving average, which just broke below \$82 and is trending lower. We would look for this technical indicator to provide a level of resistance. Prior to \$82, additional resistance is set at \$76.77, \$76.15 and \$79.93. Support is seen at \$73.61, \$71.83, \$70.45.

Fundamental News: OPEC stuck to its forecasts for global oil demand growth in 2022 and 2023 after several downgrades, saying that while economic slowdown was "quite evident" there was potential upside such as from a relaxation of China's zero-COVID policy. In its monthly report, OPEC said oil demand in 2023 will increase by 2.25 million bpd or about 2.3% after growth of 2.55 million bpd in 2022. Both forecasts were unchanged from last month. While keeping the annual demand growth forecasts steady, OPEC cut the absolute demand forecasts in the fourth quarter of 2022 and the first quarter of 2023. The report also showed that OPEC's production fell in November after the wider OPEC+ alliance pledged steep output cuts to support the market amid the worsening economic outlook and weakening prices. OPEC said its oil output in November fell by 744,000 bpd to 28.83 million bpd.

Officials said cleanup of the biggest U.S. oil spill in nearly a decade will take at least weeks to complete following a meeting with Keystone pipeline owner TC Energy Corp on Monday. TC closed the pipeline after the spill of roughly 14,000 barrels of crude was discovered in a creek last Wednesday in Washington County in Kansas. There is still no official timeline for a restart of the 622,000 bpd pipeline, which will need approval from regulators.

Norwegian ship insurer Gard said that an agreement had been reached between Turkey and insurers to enable vessels carrying oil to sail through Turkish waters unhindered. Separately, the Maritime Authority said Turkey will continue to request insurance confirmation letters from crude oil tankers transiting its Bosphorus Strait, welcoming a new agreement with its counterparts that allows the regulation to continue. It said four ships are still expected to present an insurance confirmation letter to pass through the Bosphorus.

Early Market Call - as of 10:05 AM EDT

WTI - January \$76.00 Up 0.61
 RBOB - January \$2.1731 Up 0.0122
 HO - January \$3.661 Up 0.0729

All NYMEX | Prior Settlements

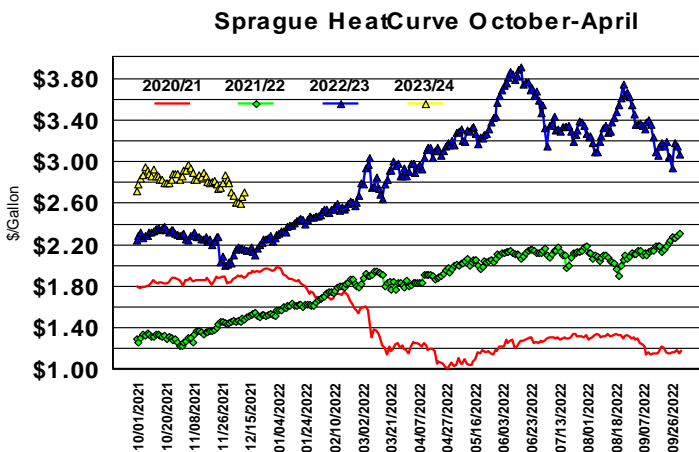
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-23	\$3.0922	\$0.1237	\$0.1767
Feb-23	\$3.0594	\$0.1197	\$0.1725
Mar-23	\$2.9788	\$0.1119	\$0.1437
Apr-23	\$2.8900	\$0.1033	\$0.1121
May-23	\$2.8248	\$0.0940	\$0.0859
Jun-23	\$2.7829	\$0.0841	\$0.0638
Jul-23	\$2.7649	\$0.0760	\$0.0488
Aug-23	\$2.7570	\$0.0712	\$0.0432
Sep-23	\$2.7525	\$0.0676	\$0.0422
Oct-23	\$2.7464	\$0.0637	\$0.0403
Nov-23	\$2.7364	\$0.0589	\$0.0369
Dec-23	\$2.7238	\$0.0539	\$0.0323
Jan-24	\$2.7129	\$0.0506	\$0.0314
Feb-24	\$2.7016	\$0.0496	\$0.0330
Mar-24	\$2.6829	\$0.0492	\$0.0369
Apr-24	\$2.6574	\$0.0488	\$0.0402
May-24	\$2.6460	\$0.0484	\$0.0468

Sprague HeatCurve October 2023-April 2024			\$2.7083
		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$5.24	\$75.4400	\$2.1600
Crude - Brent		\$80.6800	\$2.6900
Natural Gas		\$6.9350	\$0.3480
Gasoline		\$2.1609	\$0.0799

API Report for the Week Ending December 9, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	UP 7.8million barrels	Down 3.9 million barrels
Gasoline Stocks	Up 0.9 million barrels	Up 2.56 million barrels
Distillate Stocks	Up 3.9 million barrels	Up 2.34 million barrels
Refinery Runs		Down 0.1% at 95.4%

Sprague HeatCurve October-April



WTI Continuation



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