

Market Commentary

Recap: The oil market sold off sharply on Tuesday on concerns over the economy amid discussions on ways to avoid a debt default and ahead of the Fed's expected U.S. rate hike on Wednesday. The oil complex and the stocks indexes fell as the cost of insuring against a U.S. debt default reached new highs after the Treasury Secretary, Janet Yellen, said the government would likely be unable to meet all payment obligations by early June. The crude market, which posted a high of \$76.11 in overnight trading, sold off sharply, breaching its previous lows and retraced more than 62% of its move from a low of \$64.58 to a high of \$83.38 as it posted a low of \$71.42 ahead of the close. The market shrugged off the news that OPEC's oil output fell in April as sanctions countries Russia and Iran continue to find outlets for their crude. The June WTI contract settled down \$4 at \$71.66 and the July Brent contract settled down \$3.99 at \$75.32. The product markets ended the session sharply lower, with the heating oil market settling down 9.31 cents at \$2.2892 and the RB market settling down 11.47 cents at \$2.4357.

Market Analysis: The crude market on Wednesday will initially be driven by the weekly petroleum stocks reports, which are expected to show draws of over 1 million barrels across the board. The market will seek further direction from the Federal Reserve rate decision later in the afternoon. An expected 25 basis point will pressure the market further. The oil market is seen finding support at its low of \$71.42 followed by the \$70.47, the \$70 level, \$69.27 and \$67.02. Meanwhile, resistance is seen at \$72.95, \$73.40, \$74.40, \$75.17, \$75.99 and its high of \$76.11. More distant upside is seen at \$76.69, \$76.92, \$77.40 and \$77.93.

Fundamental News: According to Refinitiv tracking, global diesel exports to Europe are expected to increase to 7.37 million tons in April, the highest since January. This week, Refinitiv is tracking 2.41 million tons of seaborne diesel exports to Europe. This is compared with 2.3 million tons scheduled a week ago, which fell to 1.47 million tons following delays, changes to orders and missing Russian barrels and of which 210,000 tons has yet to be fully discharged. Meanwhile, Northwest European gasoline exports so far in April stand at 1.39 million tons, down from 1.79 million tons exported in March.

According to a Reuters survey, OPEC's oil output fell in April due to a halt in some of Iraq's exports and delays to Nigerian shipments, adding to the impact of strong adherence by top producers to a supply cut deal by the wider OPEC+ alliance. OPEC produced 28.62 million bpd in April, down 190,000 bpd from March. Output is down more than 1 million bpd from September. OPEC's quota bound members complied with 194% of pledged cuts in April, up from 173% in March. The OPEC+ group cut its output by 180,000 bpd in April to 24.22 million bpd, or about 1.2 million bpd below the target. This followed a 930,000 bpd shortfall in March. The largest decline of 200,000 bpd was in Iraq where companies have reduced output in the northern Kurdistan region following a halt to the export pipeline in March. Higher exports from southern Iraq limited the decline. The second largest decline of 100,000 bpd came from Nigeria, where Exxon declared force majeure on liftings at its terminals in the country following a labor dispute. OPEC's Gulf producers Saudi Arabia, Kuwait and the UAE maintained high compliance with their targets under the OPEC+ deal, keeping output steady at 10.43 million bpd, 2.68 million bpd and 3.04 million bpd, respectively.

According to a Bloomberg survey, OPEC's oil output fell by 310,000 bpd to an average of 28.8 million bpd, the lowest level in almost a year. OPEC's output fell as Iraq's exports were reduced by a pipeline suspension and a labor strike cut shipments from Nigeria.

Iran's Oil Minister, Javad Owji, said Iranian oil production has surpassed 3 million bpd.

Early Market Call - as of 8:20 AM EDT

WTI - June \$69.77, down \$1.89
 RBOB - June \$2.3851, down 5.01 cents
 HO - June \$2.2354, down 5.38 cents

All NYMEX | Prior Settlements

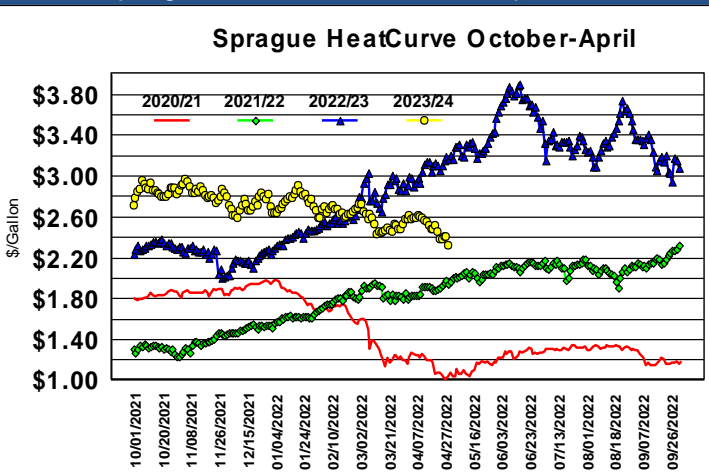
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-23	2.2892	-0.0931	-0.1585
Jul-23	2.2915	-0.0925	-0.1577
Aug-23	2.2981	-0.0930	-0.1568
Sep-23	2.3078	-0.0930	-0.1535
Oct-23	2.3171	-0.0918	-0.1478
Nov-23	2.3208	-0.0897	-0.1427
Dec-23	2.3204	-0.0875	-0.1392
Jan-24	2.3237	-0.0861	-0.1352
Feb-24	2.3235	-0.0848	-0.1296
Mar-24	2.3157	-0.0831	-0.1240
Apr-24	2.2986	-0.0811	-0.1188
May-24	2.2890	-0.0792	-0.1163
Jun-24	2.2798	-0.0778	-0.1152
Jul-24	2.2776	-0.0764	-0.1119
Aug-24	2.2758	-0.0748	-0.1085
Sep-24	2.2733	-0.0742	-0.1064
Oct-24	2.2713	-0.0726	-0.1050

Sprague HeatCurve October 2023-April 2024			\$2.3188
		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.77	\$71.5500	-\$3.9600
Crude - Brent		\$75.3200	-\$3.9900
Natural Gas		\$2.2140	-\$0.1040
Gasoline		\$2.4357	-\$0.1147

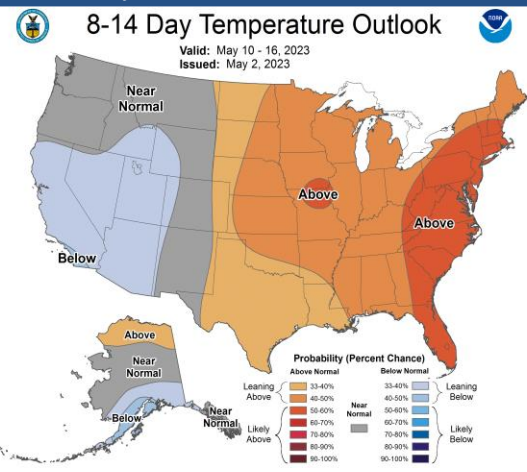
API Report for the Week Ending April 28, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 3.9 million barrels	Down 1.1 million barrels
Gasoline Stocks	Up 351,000 barrels	Down 1.2 million barrels
Distillate Stocks	Down 975,000 barrels	Down 1.1 million barrels
Refinery Runs		Up 0.3% at 91.6%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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