

Market Commentary

Recap: Natural gas and RBOB lead the energy complex higher on Tuesday, as traders begin to gear up for winter and as industry analysts expect U.S. gasoline stockpiles to decrease by 800,000 barrels. This would bring gasoline inventories within striking distance of the eight year low of 207.4 million barrels from the week to September 30, 2022. Oil prices rose, rebounding from an early fall of more than \$1 a barrel, on a lift from a weaker dollar and supply concerns highlighted by Saudi Arabia's energy minister. The U.S. dollar index (DXY) fell during afternoon trade, making dollar-denominated oil less expensive for other currency holders and helping to push prices higher. Further support came from comments by Saudi Arabia's energy minister, Prince Abdulaziz bin Salman, that energy stocks were being used as a mechanism to manipulate markets. Oil prices initially fell on signs of uncertain economic activity in the U.S. and China, the world's two biggest consumers of oil. WTI for December delivery gained 74 cents per barrel, or 0.87% to \$85.32. Brent Crude for December delivery gained 26 cents per barrel, or 0.28% to \$93.52. RBOB Gasoline for November delivery gained 18.58 cents per gallon, or 6.81% to \$2.9160. ULSD for November delivery gained 4.71 cents per gallon, or 1.20% to \$3.9672.

Market Analysis: WTI remains range bound, while at the same time trying to gain momentum above \$85. The December contract retreated from the down trending line of the symmetrical triangle, leaving this technical level of resistance still in play. A break above this line sets this market up for a run at 50-day moving average, with a successful break shifting the minor trend to the upside. Above \$86.71, the current 50-day moving average, there is additional resistance seen at \$88.50 and above that at \$90. Support rests at \$83 and below that at \$81.30 and \$80.

Fundamental News: The head of the International Energy Agency, Fatih Birol, said the world will still need Russian oil to flow to the market despite a price cap, with between 80% and 90% an "encouraging level" to meet demand. He said details of a price cap on Russian oil still has many details to iron out. He stated that the OPEC+ decision to cut output by 2 million bpd is a risky one especially as several economies are on the brink of recession. He also stated that strategic oil stockpile releases helped curb further price spikes. He added that there is still a large amount of SPR oil stocks, however further releases are not on the agenda.

Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, said that some were using their emergency stocks and using it as a mechanism to manipulate markets when its purpose should be to mitigate any shortages of supply. He said "It is my duty to make clear that losing emergency stocks may be painful in the months to come." He said Saudi Arabia is the most secure and reliable oil supplier. He said Saudi Arabia is engaged with many European governments regarding the current crisis, adding that the current crisis may be the worst energy crisis. He said last year, Saudi Aramco was supplying Europe with 490,000 barrels and increased its supplies to 950,000 barrels this September.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending October 28th, increasing available refining capacity by 421,000 bpd. Offline capacity is expected to fall to about 573,000 bpd in the week ending November 4th.

Early Market Call - as of 8:20 AM EDT
WTI - December \$86.31, up 98 cents
RBOB - November \$2.9236, up 76 points
HO - November \$4.0110, up 4.38 cents

All NYMEX | Prior Settlements

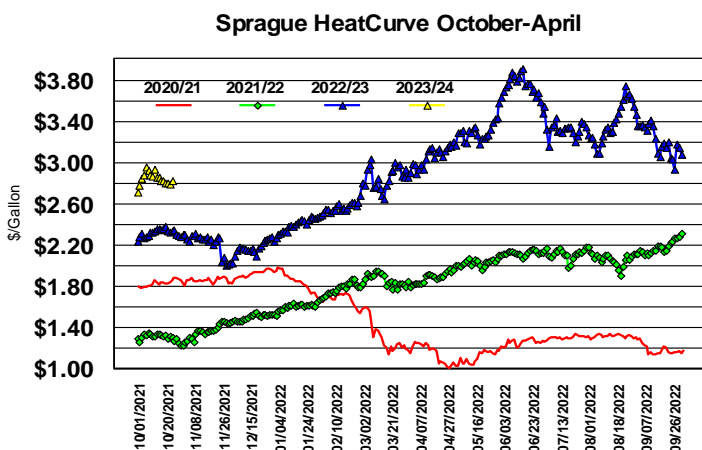
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-22	\$3.9672	\$0.0471	-\$0.0263
Dec-22	\$3.5823	\$0.0151	-\$0.0468
Jan-23	\$3.4586	\$0.0126	-\$0.0294
Feb-23	\$3.3599	\$0.0111	-\$0.0285
Mar-23	\$3.2621	\$0.0106	-\$0.0256
Apr-23	\$3.1589	\$0.0114	-\$0.0213
May-23	\$3.0770	\$0.0146	-\$0.0170
Jun-23	\$3.0096	\$0.0183	-\$0.0118
Jul-23	\$2.9694	\$0.0207	-\$0.0082
Aug-23	\$2.9405	\$0.0223	-\$0.0060
Sep-23	\$2.9165	\$0.0241	-\$0.0053
Oct-23	\$2.8947	\$0.0263	-\$0.0050
Nov-23	\$2.8734	\$0.0284	-\$0.0028
Dec-23	\$2.8523	\$0.0298	-\$0.0008
Jan-24	\$2.8298	\$0.0313	\$0.0012
Feb-24	\$2.8086	\$0.0329	\$0.0012
Mar-24	\$2.7794	\$0.0329	-\$0.0002

Sprague HeatCurve October 2023-April 2024			\$2.8240
		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$8.20	\$85.3200	\$0.7400
Crude - Brent		\$93.5200	\$0.2600
Natural Gas		\$5.6130	\$0.4140
Gasoline		\$2.9160	\$0.1858

API Report for the Week Ending October 21, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.5 million barrels	Up 200,000 barrels
Gasoline Stocks	Down 2.3 million barrels	Down 1.2 million barrels
Distillate Stocks	Up 600,000 barrels	Down 1.1 million barrels
Refinery Runs		Down 0.3% at 89.2%

Sprague HeatCurve October-April



WTI Continuation



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