

## Market Commentary

**Recap:** Oil futures fell on Thursday, as concern about the outlook for fuel demand increased, and as the U.S. dollar strengthened amid further interest rate hikes by global central banks, spreading worry among traders. Thursday's drop in oil prices stemmed three straight days of gains. The wave of central bank interest rate hikes increased global recession fears. Also pressuring oil prices, Canada's TC Energy Corp said it was resuming operations in a section of its Keystone pipeline, a week after a leak of more than 14,000 barrels of oil in Kansas triggered a shutdown. WTI for January delivery lost \$1.17 per barrel, or 1.51% to \$76.11, while Brent for February delivery lost \$1.49 per barrel, or 1.80% to \$81.21. Petroleum products finished mixed, with ULSD for January delivery gaining 0.66 cent per gallon, or 0.20% to \$3.2834 and RBOB Gasoline for January delivery losing 7.76 cents per gallon, or 3.46% to \$2.1668.

**Technical Analysis:** Risk aversion has been running wild across energy markets, particularly in crude oil. U.S. stocks indexes fell sharply on Thursday, with the Dow on track for its steepest single-day fall in three months, as the Federal Reserve's guidance for protracted policy tightening quelled hopes the rate hike cycle would end anytime soon. Support is running along the 10-day moving average, which is currently set at \$75.68. If WTI should break below this technical indicator, we should see a drop toward \$73.79, with successful tests of this level leading toward \$72.69. On the upside, resistance is set at \$78.31, \$80 and \$81.51.

**Fundamental News:** TC Energy Corp said it was safely restarting the Keystone pipeline section that extends from Hardisty, Alberta to Wood River/Patoka, Illinois. However, it added that the affected Keystone pipeline segment will not be restarted until it is safe to do so and when it has regulatory approval from PHMSA. It has excavated the area around the impacted segment of the pipeline. It stated that as of Wednesday evening, it had recovered 3,035 barrels of oil from the creek.

Enbridge Inc said apportionment on its Mainline oil pipeline system will increase in January, reaching the highest levels in over a year, following a weeks-long shutdown of TC Energy's Keystone pipeline. Oil shippers will see the space they have requested to ship barrels rationed by 17% on light oil pipelines and 16% on heavy crude pipelines.

The U.S. Environmental Protection Agency's proposal to increase biofuel blending mandates through 2025 would lead to a near-term increase in greenhouse gas emissions, before yielding reductions in the longer-term. According to the EPA's internal analysis of the proposal, it would increase greenhouse gas emissions over the three-year term by between 81 million and 265.9 million metric tons as new tilling for corn, soy and other plantings releases carbon from the soil. However it projects that those emissions will be more than offset in the long-term due to reduced tailpipe emissions and other factors, assuming biofuel volume mandates don't change after 2025.

Separately, the EPA reported that the U.S. generated more renewable fuel blending credits in November versus the previous month. About 1.27 billion ethanol (D6) blending credits were generated in November, up from 1.24 billion in October. It also reported that about 582 million biodiesel (D4) blending credits were generated in November, up from 477 million in the previous month.

### Early Market Call - as of 8:40 AM EDT

WTI - January \$73.99, down \$2.12

RBOB - January \$2.1210, down 4.58 cents

HO - January \$3.1825, down 10.06 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-23	3.2834	0.0066	0.4036
Feb-23	3.2146	-0.0152	0.3696
Mar-23	3.0952	-0.0275	0.3115
Apr-23	2.9744	-0.0389	0.2578
May-23	2.8894	-0.0417	0.2183
Jun-23	2.834	-0.0421	0.1887
Jul-23	2.8052	-0.0429	0.1655
Aug-23	2.7898	-0.0438	0.1514
Sep-23	2.7814	-0.0437	0.1438
Oct-23	2.7709	-0.0438	0.135
Nov-23	2.7567	-0.0433	0.1256
Dec-23	2.7405	-0.0426	0.1164
Jan-24	2.7265	-0.0424	0.1104
Feb-24	2.7126	-0.0437	0.1063
Mar-24	2.6932	-0.0444	0.1056
Apr-24	2.6679	-0.044	0.1051
May-24	2.6542	-0.0447	0.1032

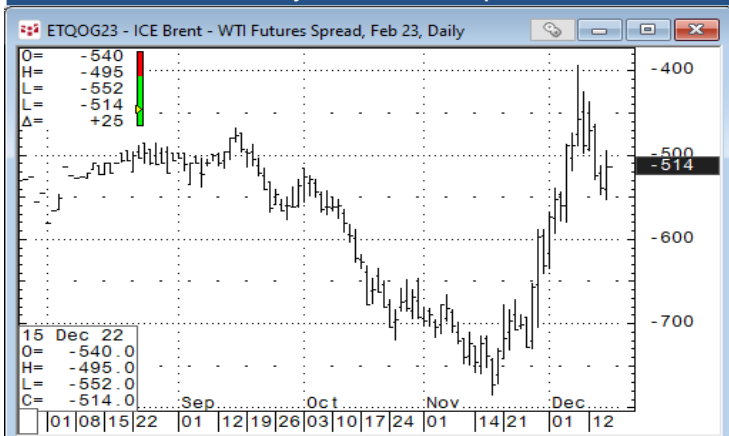
## Sprague HeatCurve October 2023-April 2024

		Close	Change
Crude - WTI	Feb Brent-	\$76.1500	-\$1.1600
Crude - Brent	WTI Spread	\$81.2100	-\$1.4900
Natural Gas	\$5.06	\$6.9700	\$0.5400
Gasoline		\$2.1668	-\$0.0776

## EIA Working Gas Storage Report

	09-Dec-22	02-Dec-22	Change	09-Dec-21
East	822	834	-12	822
Midwest	1002	1028	-26	987
Mountain	186	193	-7	200
Pacific	203	217	-14	262
South Central	1199	1191	8	1,160
Salt	337	327	10	328
Nonsalt	862	864	-2	831
Total	3412	3462	-50	3,430

## ICE February Brent-WTI Spread



## WTI Forward Curve

