

Market Commentary

Recap: Oil futures struggled to stretch their streak of gains to a 5th session in a row, with U.S. prices seesawing as U.S. government data revealed a weekly decline in domestic crude supplies that was smaller than the market expected. January WTI rose 24 cents, or 0.4%, to a session high of \$61.18 a barrel, but dithered between modest gains and losses. The January contract expires at Thursday's settlement. February Brent tacked on as much as 33 cents, or 0.2%, to \$66.43 a barrel. Oil futures settled mixed, with January WTI losing 1 cent, or .02%, to settle at \$60.93 a barrel, while February Brent added 7 cents, or 0.11%, to settle at \$66.17 a barrel. January RBOB settled at \$1.6838 a gallon, down .0019, while January heating oil slipped .0131, to settle at \$2.0203 a gallon.

Technical Analysis: February WTI tested Tuesday's break above the 200-day moving average, to settle above it for the second straight session. Although the slow stochastics are in deep overbought territory, they are still pointing to the upside and do not appear ready to cross to the downside. So far, this market is showing signs of resiliency, and therefore we would look for it to continue to close in on the \$62.50 level. Support is set at the 10-day moving average of \$59.48 and below that at \$58.73.

Fundamental News: According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in October increased to 7.06 million bpd from 6.67 million bpd in September. Saudi Arabia's total crude oil output increased by 1.17 million bpd to 10.3 million bpd in October. Crude stocks increased by 15.6 million bpd to 168.08 million bpd while domestic refinery crude throughput fell by 387,000 bpd to 2.2 million bpd.

According to a technical report, production levels by PDVSA and its international partners in the Orinoco Belt increased to 500,000 bpd or 38.5% of its 1.3 million bpd maximum capacity, up from 435,000 bpd on November 4th. The report stated that despite reactivation of some wells and the partial drainage of crude inventories, power failures and the low availability of diluents continue to affect crude pumping capacity.

IIR Energy reported that US oil refiners are expected to shut in 88,000 bpd of capacity in the week ending December 20th, increasing available refining capacity by 300,000 bpd from the previous week. Offline capacity is expected to fall to 45,000 bpd in the week ending December 27th.

A final rule on US biofuel blending requirements for 2020 is expected to be unchanged from a proposal the EPA unveiled in October. The White House told an Iowa corn group that it will stick with the EPA's proposal for addressing small refinery waivers. The news is likely to upset farmers and biofuel producers, who say that the plan does not go far enough to make up for waived gallons.

New York Federal Reserve President, John Williams, said that monetary policy is in a good place to support the economy and he expressed an optimistic outlook for 2020. He expects the US economy will grow by about 2% next year, the unemployment rate will remain close to 3.5% and inflation will approach the Federal Reserve's 2% target.

Chicago Federal Reserve Bank President, Charles Evans, said the US economy is doing 'remarkably well,' with a vibrant labor market and a strong consumer, but added that inflation remains worryingly low. He said monetary policy is in "a good place."

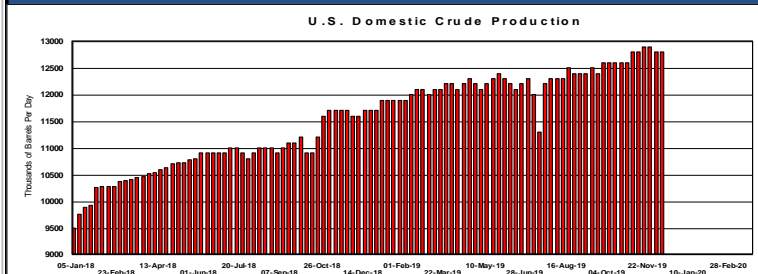
Early Market Call - as of 8:35 AM EDT

WTI - Jan \$60.89, down 14 cents
 RBOB - Jan \$1.69, up 56 points
 HO - Jan \$2.0219, up 16 points

All NYMEX | Prior Settlements

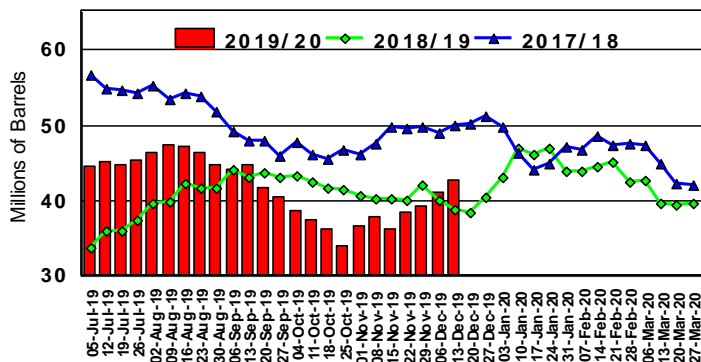
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-20	2.0203	-0.0131	-0.0915
Feb-20	2.0202	-0.0115	-0.0845
Mar-20	2.0126	-0.0090	-0.0910
Apr-20	1.9947	-0.0073	-0.0879
May-20	1.9792	-0.0056	-0.0836
Jun-20	1.9666	-0.0045	-0.0797
Jul-20	1.9606	-0.0038	-0.0765
Aug-20	1.9560	-0.0034	-0.0735
Sep-20	1.9532	-0.0034	-0.0706
Oct-20	1.9510	-0.0035	-0.0683
Nov-20	1.9490	-0.0035	-0.0659
Dec-20	1.9464	-0.0034	-0.0636
Jan-21	1.9439	-0.0034	-0.0612
Feb-21	1.9349	-0.0031	-0.0584
Mar-21	1.9206	-0.0032	-0.0554
Apr-21	1.9008	-0.0027	-0.0536
May-21	1.8870	-0.0029	-0.0521

Other Front Month NYMEX		Close	Change
Crude - WTI	Feb Brent-	\$60.9300	-\$0.0100
Crude - Brent	WTI Spread	\$66.1700	\$0.0700
Natural Gas	\$5.24	\$2.2860	-\$0.0330
Gasoline		\$1.6838	-\$0.0019



Weekly EIA Petroleum Status Report for the Week Ending December 13, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.085 million barrels
 Cushing, OK Crude Stocks Down 265,000 barrels
Gasoline Stocks Up 2.529 million barrels
Distillate Stocks Up 1.509 million barrels
Refinery % Operated 90.6%, unchanged

PADD #1

Distillate Stocks (in million bbls)	Week Ending Dec 13, 2019	Week Ending Dec 6, 2019	Week Ending Dec 14, 2018
New England	8.1	8.0	6.7
Central Atlantic	22.6	21.8	21.4
Total PADD #1	42.6	41.1	38.9
Distillate Imports (thousands b/d)	174	144	102

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