

Market Commentary

Recap: Oil prices climbed to their highest level since March, as the start of the U.S. presidential transition got underway and on more promising news of additional vaccines. Oil futures also followed equity markets higher, as traders appear to be happy with Joe Biden's decision to nominate former Fed Chair Janet Yellen for Treasury Secretary. Yellen is a well-known and well-liked individual and is expected to keep rates low for years to come, which is bullish for all riskier assets including oil. January WTI added \$1.85, or 4.3%, to settle at \$44.91 a barrel, while January Brent settled at \$47.86 a barrel, up \$1.80, or 3.91%. December RBOB was up .0542 cents, to settle at \$1.2582 a gallon, while December heating oil added .0490 cents, to settle at \$1.3595 a gallon.

Market Outlook: Tuesday's activity took some traders by surprise, as the January WTI blasted through the long standing 200-day moving average and breached \$45 a barrel for the first time since March. Despite the market's strength, there is an abundance of crude oil, which worsens week to week as demand remains sluggish. Although traders are placing bets that things will soon return to normal based on the news of several vaccines, we are still a long way from "normalcy" as the vaccine has yet to be approved and distributed worldwide. That being said, we would remain cautious in our trading and would not put too much on too fast. \$45 is still a level of strong resistance, followed by \$47.30. To the downside, support is set at \$43.68 and below that at \$42.20.

Fundamental News: Saudi Aramco said its domestic fuel supplies had not been affected by an attack the previous day by Yemen's Houthi group on a petroleum products distribution plant in Jeddah, with operations resuming three hours after the event. The Iran-aligned Houthi forces said on Monday they had fired a missile at and struck Aramco's North Jeddah Bulk Plant, an attack later confirmed by Saudi authorities. Abdullah al-Ghamdi, manager of the North Jeddah plant, said that one of the 13 tanks used for diesel oil, gasoline and jet fuel at the facility is currently out of action. A projectile struck the storage tank, which has a maximum capacity of 500,000 barrels, from the top, causing "major damage" to its roof. He described the site as a "critical facility" with total storage capacity of 5.2 million barrels. It can distribute more than 120,000 bpd of products domestically to the western Saudi regions of Jeddah, Mecca and al-Baha. Saudi Arabia told the U.N Security Council that Yemen's Houthi group were to blame, urging the council to "stop the threat" to global energy security.

The IEA said that global oil markets remained well supplied after an attack on Saudi Arabia's oil facilities by Yemen's Houthi group.

Goldman Sachs said that as the OPEC+ group's decision on oil production cuts nears, there are renewed concerns about the future of the organization as it tries to rebalance the market while securing higher revenue and market share in the medium-term. It stated that "potentially complicating the meeting could be a push by the UAE to raise its baseline quota which screens as low relative to that of Saudi and Russia, although we don't think this will derail an extension". Goldman expects OPEC+ to delay its production ramp-up for three months, helping bring the global market deficit back to 1 million bpd in the first quarter of 2021. The bank expects Brent prices to average \$47/barrel in the first quarter, if production cuts are extended.

Eni declared force majeure on exports of Nigerian Brass River crude oil following pipeline explosions in Bayelsa state. A community leader said an explosion hit pipelines at Shell and Eni oilfields in Nigeria's Niger Delta, resulting in a leak.

Early Market Call - as of 8:20 AM EDT

WTI - Jan \$45.53, up 61 cents
 RBOB - Dec \$1.2683, up 1.01 cents
 HO - Dec \$1.3759, up 1.64 cents

All NYMEX | Prior Settlements

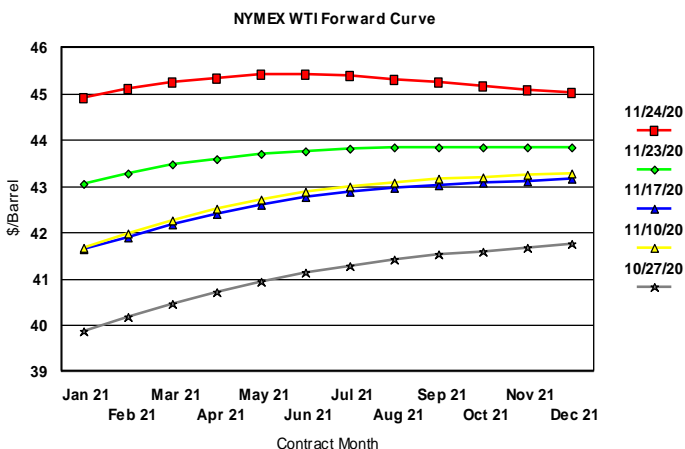
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-20	1.3595	0.0490	-0.1204
Jan-21	1.3642	0.0484	-0.1153
Feb-21	1.3713	0.0482	-0.1108
Mar-21	1.3774	0.0478	-0.1066
Apr-21	1.3803	0.0473	-0.1042
May-21	1.3844	0.0461	-0.1005
Jun-21	1.3895	0.0445	-0.0967
Jul-21	1.3965	0.0428	-0.0932
Aug-21	1.4044	0.0416	-0.0908
Sep-21	1.4132	0.0406	-0.0887
Oct-21	1.4223	0.0398	-0.0870
Nov-21	1.4300	0.0389	-0.0849
Dec-21	1.4352	0.0377	-0.0823
Jan-22	1.4420	0.0360	-0.0792
Feb-22	1.4453	0.0347	-0.0763
Mar-22	1.4446	0.0332	-0.0730
Apr-22	1.4408	0.0317	-0.0704

		Close	Change
Crude - WTI	Jan Brent-	\$44.9100	\$1.8500
Crude - Brent	WTI Spread	\$47.8600	\$1.8000
Natural Gas	\$2.95	\$2.7750	\$0.0640
Gasoline		\$1.2582	\$0.0542

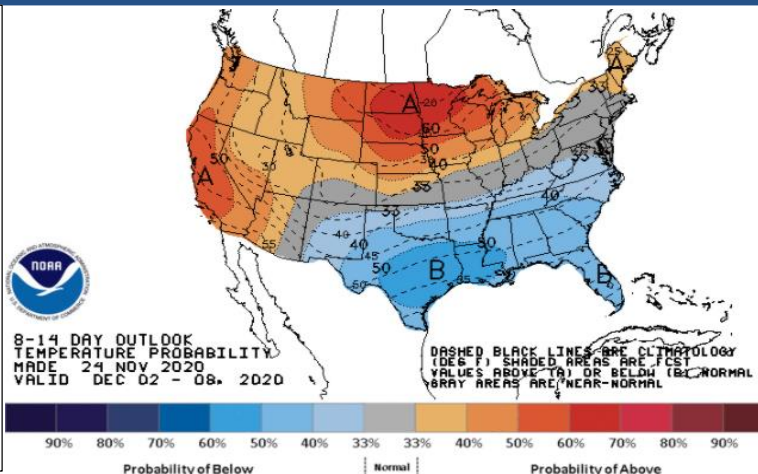
API Report for the Week Ending November 20, 2020

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 3.8 million barrels	Up 130,000 barrels
Cushing, OK Crude Stocks	Down 1.4 million barrels	
Gasoline Stocks	Up 1.3 million barrels	Up 600,000 barrels
Distillate Stocks	Down 1.8 million barrels	Down 1.6 million barrels
Refinery Runs	Up 235,000 bpd	Up 0.9%
Crude Imports	Up 237,000 bpd	

WTI Forward Curve



8-14 Day Weather Forecast



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