

Market Commentary

Recap: Oil futures settled lower on Tuesday as traders weighed the potential outcome of a meeting between OPEC and its allies later this week and on expectations that U.S. crude oil inventories increased by 1.5 million barrel for the week ended Oct. 29. Oil prices initially tried to rally during the session, but then pulled back. WTI for December delivery fell 14 cents, or 0.2%, to settle at \$83.91 a barrel, after posting gains in each of the previous three sessions. January Brent crude added a penny to settle at \$84.72 a barrel. December RBOB tacked on 1.7% to \$2.45 a gallon and December heating oil rose 0.2% to \$2.508 a gallon.

Market Outlook: WTI continues to try and take out the psychological resistance level of \$85, but once again ran into headwinds. At the same time, there is plenty of support to the downside being provided by the 10-day moving average, which is currently set at \$83.05. With the underlying fundamentals remaining as they are, we continue to look for this market to try and work higher, supported by OPEC+ members, who say they don't have the capacity to raise output. We are looking for a push above \$85 leading to a run at the \$88 level. On the downside, support rests at \$78 and below that at \$75.

Fundamental News: On Wednesday, U.S. President Joe Biden blamed a surge in oil and gas prices on a refusal by OPEC nations to produce more crude.

OPEC and its allies are expected to stick with plans for a modest increase in oil supplies this week. OPEC+ is expected to ratify the scheduled December increase of 400,000 bpd when they meet on November 4th, continuing their gradual revival of output halted during the pandemic. U.S. President, Joe Biden, has led calls from major economies for the group to open its tap more quickly. However, Saudi Arabia and others in the 23-nation alliance have pushed back, with producers from Kuwait to Kazakhstan issuing a statements in recent days extolling the need to remain cautious. Several delegates from OPEC+ nations have privately said they expect the group to press on with its original plan.

The Kremlin's spokesman, Dmitry Peskov, called for waiting until the next OPEC+ consultations commenting on U.S. President Joe Biden statement that OPEC+ countries should increase their oil production.

The IEA's Director for Energy Markets and Security, Keisuke Sadamori, said the IEA monitors the oil market closely and stands ready to act as necessary.

The Biden administration on Tuesday unveiled a plan to cut emissions of the greenhouse gas methane across the country, starting with oil and gas wells, pipelines and other infrastructure as part of its broader strategy to crack down on climate change. The announcement of the U.S. Methane Emissions Reduction Plan coincides with the United Nations climate conference in Glasgow, Scotland, where the United States, is seeking to reclaim leadership on the world stage by demonstrating tangible steps to curb emissions at home. President Joe Biden has set a target to cut greenhouse gas emissions by more than 50% by 2030 but is struggling to pass major pieces of climate legislation through a deeply divided Congress, making policies by federal agencies more crucial. His administration and the European Union are also seeking to lead a new international pact to reduce methane by 30% by 2030, drawing participation from some 90 countries.

Early Market Call - as of 8:40 AM EDT

WTI - Dec \$81.98, down 1.93 cents
 RBOB - Dec \$2.3962, down 5.43 cents
 HO - Dec \$2.4678, down 4.05 cents

All NYMEX | Prior Settlements

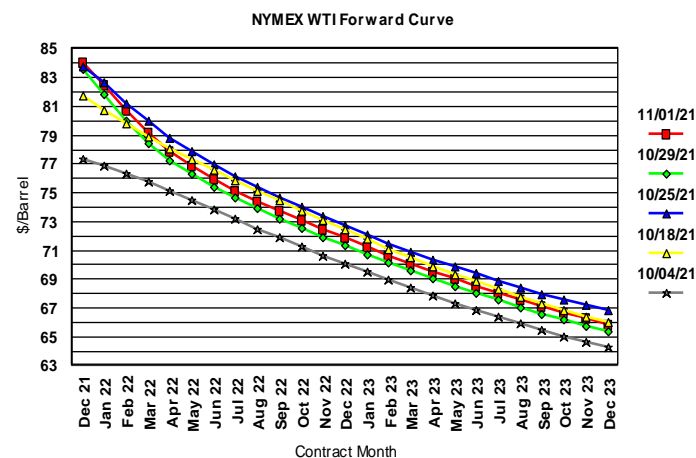
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-21	\$2.5082	\$0.0051	-\$0.0603
Jan-22	\$2.4937	\$0.0058	-\$0.0597
Feb-22	\$2.4700	\$0.0061	-\$0.0590
Mar-22	\$2.4406	\$0.0068	-\$0.0565
Apr-22	\$2.4046	\$0.0072	-\$0.0545
May-22	\$2.3770	\$0.0068	-\$0.0541
Jun-22	\$2.3584	\$0.0067	-\$0.0517
Jul-22	\$2.3470	\$0.0064	-\$0.0495
Aug-22	\$2.3382	\$0.0063	-\$0.0471
Sep-22	\$2.3328	\$0.0062	-\$0.0525
Oct-22	\$2.3288	\$0.0062	-\$0.0425
Nov-22	\$2.3254	\$0.0060	-\$0.0402
Dec-22	\$2.3211	\$0.0058	-\$0.0384
Jan-23	\$2.3152	\$0.0058	-\$0.0370
Feb-23	\$2.3017	\$0.0057	-\$0.0361
Mar-23	\$2.2825	\$0.0057	-\$0.0359
Apr-23	\$2.2585	\$0.0057	-\$0.0355

Settlements			
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$2.28	\$82.4400	-\$0.0100
Crude - Brent		\$84.7200	\$0.0100
Natural Gas		\$5.5420	\$0.3560
Gasoline		\$2.4501	\$0.0408

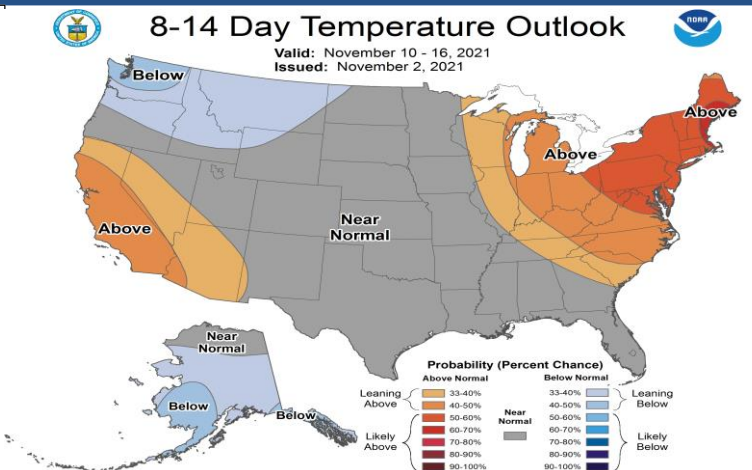
API Report for the Week Ending October 29, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 3.59 million barrels	Up 1.5 million barrels
Cushing, OK Crude Stocks	Down 882,000 barrels	
Gasoline Stocks	Down 552,000 barrels	Down 1.3 million barrels
Distillate Stocks	Up 573,000 barrels	Down 1.2 million barrels
Refinery Runs		Up 0.6%, 85.7%

WTI Forward Curve



8-14 Day Weather Forecast



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.