

Market Commentary

Recap: Oil futures fell for the second straight session, down 7.7% over the past two sessions, the largest two-day drop in nearly two months. The headline number to the EIA's weekly inventory report show a bullish 3.3 million barrel drop in U.S. crude oil supplies, but investors seem to be paying more attention recently to demand than supply. U.S. gasoline demand remained weak at 8.6 million barrels per day, nearly 1 million barrels per day less than a year ago. Still, the decline in U.S. crude oil inventories pushed prices off session lows. WTI for October delivery lost \$9.07 per barrel, or 9.20% to \$89.55 this month, down 2.09, or 2.28% on the session. October Brent lost \$13.52 per barrel, or 12.29% to \$96.49 this month, down \$2.82 or 2.84% on the session. RBOB for September delivery lost 88.22 cents per gallon, or 25.29% to \$2.6059 this month, down 8.85 cents or 3.28 down 8.85 cents or 3.28% for the session, while ULSD for September delivery gained 9.07 cents per gallon, or 2.50% to \$3.7154 this month, or is down 10.17 cents or 2.66% for the trading session.

Technical Analysis: It appears that WTI wants to please technical traders, as it opened basically unchanged, followed by a failed up mover toward the 10-day moving average. This sparked weak longs into action, pushing WTI well below \$92.59, the current 10-day moving average. At this point and the crossing to the downside of the slow stochastics leads us to believe that the down trend will continue. With this in mind, we would look for a test at \$87.00. A break below this level opens up the opportunity for a run at \$85.00. To the upside, resistance rests at \$92.37 and above that at \$96.96.

Fundamental News: White House National Security spokesman, John Kirby, said the U.S. remains hopeful that it can get a reimplement of the Iran nuclear agreement and is optimistic about talks on the matter.

Iran's Foreign Minister, Hossein Amirabdollahian, said Iran needs stronger guarantees from Washington for the revival of a 2015 nuclear deal, adding that the U.N.'s IAEA should drop its "politically motivated probes" of Tehran's nuclear work. He said Iran was carefully reviewing Washington's response to the text, which was conveyed to Iran last week by the EU as coordinator of the nuclear talks.

The OPEC+ Joint Technical Committee said the oil market will likely see a bigger-than-expected surplus this year. It sees the oil market surplus this year reaching 900,000 bpd, up 100,000 bpd from its previous forecast. Under its base case scenario, the JTC sees the oil market in a surplus of 3.1 million bpd in September, falling to 600,000 bpd in October before increasing to 1.4 million bpd in November. OPEC+ also expects a surplus of 900,000 bpd next year under its base scenario.

According to OPEC+ sources, the oil market will see a small surplus of 400,000 bpd in 2022, much less than forecast earlier due to underproduction by the group's members.

Refinitiv data showed that exports of gasoline from Europe on the transatlantic route in August reached 670,000 tons, relatively unchanged from July levels. It is down from more than 1.3 million ton in August last year and 840,000 tons in August 2020. Separately, diesel imports into Europe from Asia, the Middle East, Russia, the Baltics and the U.S. were set to reach 6.2 million tons in August, the highest level since the start of the year.

IIR Energy said U.S. oil refiners are expected to shut in 718,000 bpd of capacity in the week ending September 2nd, cutting available refining capacity by 57,000 bpd.

BP Plc was restarting production units at its 435,000 bpd Whiting, Indiana refinery on Wednesday, one week after the plant was idled by an electrical fire. BP plans to restore motor fuel production from the Whiting refinery by Sunday.

Early Market Call - as of 8:15 AM EDT

WTI - October \$88.34, down \$1.21

RBOB - October \$2.3730, down 5.78 cents

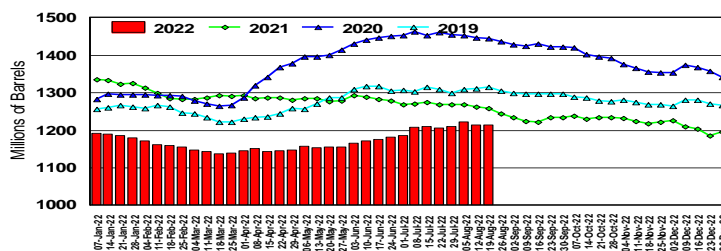
HO - October \$3.4993, down 16.81 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-22	3.7154	-0.1017	-0.2978
Oct-22	3.6674	-0.1104	-0.2975
Nov-22	3.609	-0.0963	-0.2907
Dec-22	3.5466	-0.0856	-0.2854
Jan-23	3.4835	-0.076	-0.2818
Feb-23	3.4076	-0.0705	-0.2748
Mar-23	3.3167	-0.0656	-0.2686
Apr-23	3.2184	-0.061	-0.2629
May-23	3.1382	-0.0576	-0.2541
Jun-23	3.0771	-0.0538	-0.2383
Jul-23	3.0367	-0.0493	-0.2206
Aug-23	3.0014	-0.0453	-0.2046
Sep-23	2.9695	-0.043	-0.1914
Oct-23	2.9445	-0.0406	-0.1781
Nov-23	2.922	-0.039	-0.1685
Dec-23	2.9001	-0.0378	-0.1596
Jan-24	2.8774	-0.037	-0.1534

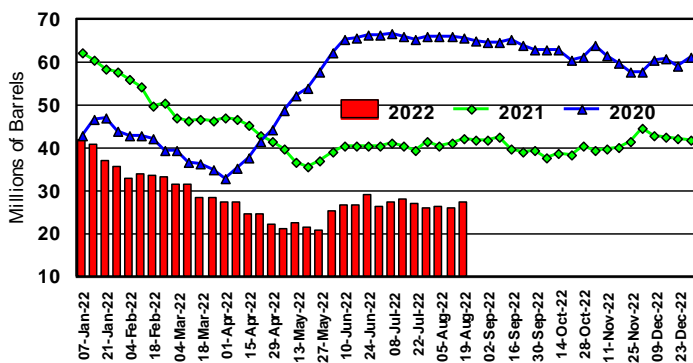
Sprague HeatCurve October 2022-April 2023			\$3.4589
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$6.94	\$89.5500	-\$2.0900
Crude - Brent		\$96.4900	-\$2.8200
Natural Gas		\$9.1270	\$0.0850
Gasoline		\$2.6059	-\$0.0885

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending August 26, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.3 million barrels
Cushing, OK Crude Stocks Down 523,000 barrels
Gasoline Stocks Down 1.2 million barrels
Distillate Stocks Up 111,000 barrels
Refinery % Operated 92.7%, down 1.1%

PADD #1

Distillate Stocks (in million bbl)	Week Ending August 26, 2022	Week Ending August 19, 2022	Week Ending August 27, 2021
New England	3.2	3.1	7.1
Central Atlantic	12.9	11.5	20.5
Total PADD #1	27.7	27.5	41.8
Distillate Imports (thousands b/d)	141	114	282