

Market Commentary

Recap: The oil market on Thursday remained on its downward trend ahead of the May contract's expiration at the close, trading to the lowest level since the end of March as a stronger dollar and rate hike expectations continued to weigh on the market. The market has reversed almost all of its gains following the Saudi announcement of further output cuts earlier this month. The crude market opened 29 cents lower at \$78.87 and continued to backfill its remaining gap from \$78.46 to \$75.72 as it sold off to a low of \$76.97 ahead of the close. The May WTI contract went off the board down \$1.87 at \$77.29 while the June WTI contract settled down \$1.87 at \$77.37. The June Brent contract settled down \$2.02 at \$81.10.

Meanwhile, the product markets also ended the session lower, with the heating oil market settling down 6.28 cents at \$2.4949 and the RB market settling down 5.91 cents at \$2.5864.

Technical Analysis: The oil market is still trending lower as its slow stochastics continue to point lower. It will likely see some retracement before it continues to backfill the remainder of its gap. Support is seen at its low of \$76.97 followed by \$76.12 and \$75.72, where the market would backfill its gap. More distant support is seen at \$73.83, \$72.61, \$72.19 and \$71.53. Meanwhile, resistance is seen at \$78.00, \$78.16, \$78.61 and its high of \$79.07. Further upside is seen at \$81.24, \$81.52 and \$82.62.

Fundamental News: Amos Hochstein, the special presidential coordinator for global infrastructure and energy security said the U.S. could begin to refill its SPR as soon as the third quarter of 2023, if the price is right. However, he cautioned that the timeline would depend on a number of factors, including maintenance on the infrastructure while the reserve is half empty and how well the Biden administration can manage a congressionally mandated sale of 26 million barrels by June 30th. The U.S. has stated that it wanted to sell at a price target of \$70/barrel.

The White House said the federal government has offered assistance to Florida as it copes with a gasoline shortage. White House Press Secretary, Karine Jean-Pierre, said the EPA is processing a request it received from Florida to expand the available supply of gas in the region. Flooding from last week's rainstorms across South Florida have caused a run on gas in some areas.

Platts is reporting that Iraq's federal oil marketer SOMO is seeking to draft and replace contracts with traders seeking to buy and sell crude oil produced in the semi-autonomous Kurdistan region. These contracts will need to be signed and accepted before it will allow exports to resume through the Turkish port of Ceyhan. Exports of Kurdish-origin crude and federally produced Kirkuk grade through Ceyhan have been suspended since March 24th. Export flows at that time had been averaging 450,000 b/d. Iraqi officials reportedly have said that they expect exports to now resume in a "few days once all technical, administrative and logistical issues are finally ironed out."

The EPA reported that the U.S. generated 619 million biodiesel (D4) blending credits in March, up from 514 million credits in February. It also reported that the U.S. generated 1.22 billion ethanol (D6) blending credits in March, up from 1.13 billion credits in February.

Reuters reported that China's refineries processed more crude than ever before in March, but despite this record, the world's largest oil importer still increased its inventories. China's refinery throughput hit a record high of 63.9 million tons in March, equivalent to about 15.11 million bpd, up from 14.36 million bpd in the first two months of the year. However, according to calculations based on official data, the amount of crude available to refiners from imports and domestic output also increased in March, reaching 16.67 million bpd. Subtracting the refinery throughput leaves 1.56 million bpd that likely flowed into either commercial or strategic inventories. This was an increase in the amount available for stockpiles from the first two months of the year, when the surplus was 270,000 bpd.

Early Market Call - as of 8:25 AM EDT
 WTI - June \$77.81, up 44 cents
 RBOB - May \$2.6120, up 2.56 cents
 HO - May \$2.5014, up 65 points

All NYMEX | Prior Settlements

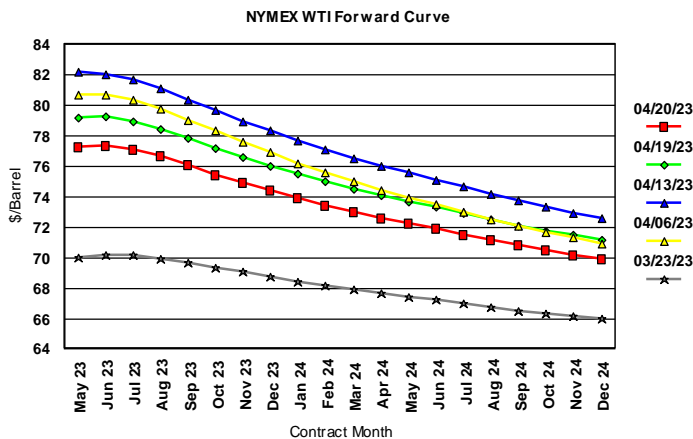
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-23	2.4949	-0.0628	-0.1779
Jun-23	2.4808	-0.0593	-0.1555
Jul-23	2.4779	-0.0571	-0.1471
Aug-23	2.4809	-0.0544	-0.1421
Sep-23	2.4847	-0.0521	-0.1382
Oct-23	2.4865	-0.0504	-0.1357
Nov-23	2.4842	-0.0492	-0.1335
Dec-23	2.4797	-0.0485	-0.1314
Jan-24	2.4779	-0.0476	-0.1275
Feb-24	2.4721	-0.0455	-0.1211
Mar-24	2.4588	-0.0429	-0.1145
Apr-24	2.4365	-0.0408	-0.1085
May-24	2.4242	-0.0391	-0.1032
Jun-24	2.4134	-0.0377	-0.0992
Jul-24	2.4069	-0.0365	-0.0980
Aug-24	2.4010	-0.0356	-0.0971
Sep-24	2.3958	-0.0346	-0.0950

Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.73	\$77.3700	-\$1.8700
Crude - Brent		\$81.1000	-\$2.0200
Natural Gas		\$2.2490	\$0.0270
Gasoline		\$2.5864	-\$0.0591

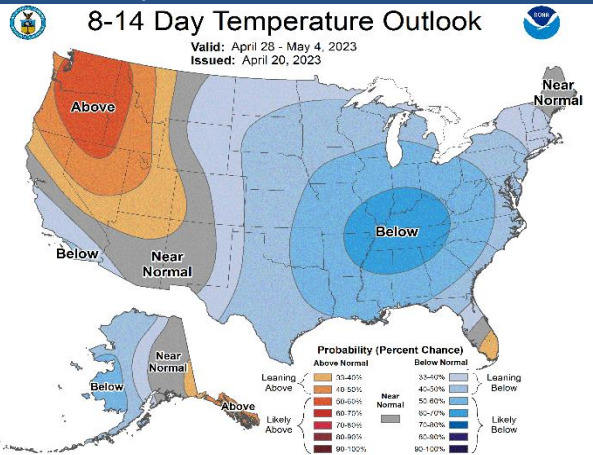
EIA Working Gas Storage Report

	14-Apr-23	07-Apr-23	Change	14-Apr-22
East	363	345	18	237
Midwest	450	427	23	302
Mountain	84	80	4	89
Pacific	83	74	9	169
South Central	949	929	20	645
Salt	266	261	5	19
Nonsalt	684	667	17	446
Total	1930	1855	75	1,442

WTI Forward Curve



8-14 Day Weather Forecast



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