

Market Commentary

Recap: Oil futures continued to struggle for direction on Friday, bouncing between gains and losses, as investors wait to hear more news about a potential nuclear deal with Iran and the possibility of OPEC+ production cuts, amid conflicting U.S. economic data and remarks by Fed Chairman Jerome Powell that mostly reiterate the central bank's view that it's committed to fighting inflation. Lower economic activity will have a direct impact on oil consumption. October WTI added 54 cents, or 0.58%, to settle at \$93.06 a barrel, for a weekly gain of \$2.62, or 2.90%. October Brent gained \$1.64, or 1.66% during Friday's session, up \$4.27 per barrel, or 4.41% to \$100.99 on the week. RBOB for September delivery ended Friday up 3.92 cents or 1.39%, but lost 16.62 cents per gallon, or 5.51% to \$2.8513 this week. This is the second consecutive loss for RBOB. September heating oil added 5.85 cents or 1.48%, gaining 30.71 cents per gallon, or 8.30% to \$4.0076 on the week, up for three consecutive weeks.

Technical Analysis: For the week, oil prices have risen as hopes for a nuclear deal with Iran were offset by comments about potential production cuts out of Saudi Arabia. WTI tiptoed around the \$90 level, a key technical number. On Friday we saw this front month contract come down to test the 10-day moving average, with the inability to penetrate this level of support leading to a technical bounce in prices. A break below this technical indicator is likely to push October WTI toward \$85 and possibly \$80. On the upside, the 200-day moving average has proven itself as a strong resistance area. A break above it will lead to a test of the 50-day moving average. Bear in mind that the 50-day moving average is trending lower, while the longer term 200-day moving average is slightly trending higher. A cross of the shorter term average below the longer term average will spark a sell-off.

Fundamental News: A source stated that the United Arab Emirates is aligned with Saudi Arabia's thinking on crude oil markets and supportive of its recent comments. On Monday, Saudi Arabia flagged the possibility of introducing production cuts to balance the volatile market.

Sudan's Energy and Petroleum Minister, Mohamed Abdallah, expressed support for comments made by his Saudi Arabian counterpart this week about OPEC's readiness to intervene to restore balance in the oil market. He said Sudan supports OPEC+ efforts to maintain market stability in the face of distortions and volatility.

French President Emmanuel Macron said the ball was in Iran's court to revive a nuclear deal with world powers, and that the offer on the table, even if it would not resolve all differences, was better than no offer at all.

IIR Energy reported that U.S. oil refiners are expected to shut in 648,000 bpd of capacity in the week ending August 26th, decreasing available refining capacity by 42,000 bpd. Offline capacity is expected to fall to 464,000 bpd in the week ending September 2nd, before rising to 521,000 bpd in the subsequent week.

Motiva Enterprises plans to shut the large hydrocracker at its 626,000 bpd Port Arthur, Texas, refinery over the weekend for repairs. The 105,000 bpd hydrocracker 2 is scheduled to restart on Monday after repairs to the main charge pump. The refinery is scheduled to shut its 200,000 bpd VPS-4 crude distillation unit, its 49,000 bpd catalytic reformer 4 and a sulfolane unit from September 19th into November.

BP Plc's 435,000 bpd Whiting, Indiana refinery is shut and undergoing damage assessment following the loss of electrical power and cooling water systems in a Wednesday fire. The timing for the refinery's restart remains unknown as all of the refinery's units will have to be checked for damage following the sudden loss of electrical power on Wednesday afternoon.

Early Market Call - as of 8:25 AM EDT

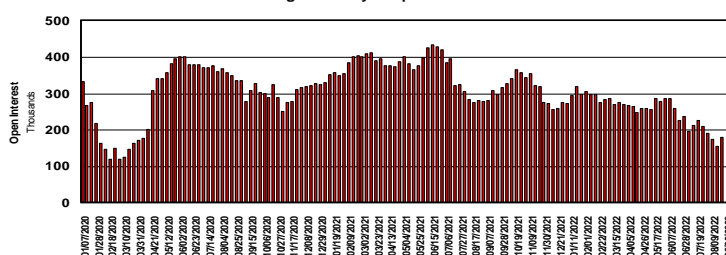
WTI - October \$93.57, up 51 cents
 RBOB - September \$2.7956, down 5.57 cents
 HO - September \$3.9417, down 6.59 cents

All NYMEX | Prior Settlements

| Month | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Sep-22 | 4.0076 | 0.0585 | 0.3071 |
| Oct-22 | 3.9352 | 0.0529 | 0.2743 |
| Nov-22 | 3.8539 | 0.0452 | 0.2495 |
| Dec-22 | 3.7689 | 0.0336 | 0.2209 |
| Jan-23 | 3.6858 | 0.0208 | 0.1907 |
| Feb-23 | 3.5928 | 0.0111 | 0.1667 |
| Mar-23 | 3.4882 | 0.0029 | 0.145 |
| Apr-23 | 3.3785 | -0.0057 | 0.1192 |
| May-23 | 3.288 | -0.0127 | 0.0874 |
| Jun-23 | 3.2157 | -0.0149 | 0.0624 |
| Jul-23 | 3.1652 | -0.0145 | 0.0482 |
| Aug-23 | 3.1198 | -0.0147 | 0.0381 |
| Sep-23 | 3.0805 | -0.0147 | 0.0306 |
| Oct-23 | 3.0477 | -0.0153 | 0.0271 |
| Nov-23 | 3.0192 | -0.0159 | 0.0226 |
| Dec-23 | 2.992 | -0.018 | 0.0195 |
| Jan-24 | 2.9642 | -0.0176 | 0.0166 |

| Sprague HeatCurve October 2022-April 2023 | | \$3.6626 | |
|---|------------------------------------|------------|-----------|
| | | Close | Change |
| Crude - WTI | Oct Brent- WTI Spread \$7.93 | \$93.0600 | \$0.5400 |
| Crude - Brent | | \$100.9900 | \$1.6500 |
| Natural Gas | | \$9.2960 | -\$0.0790 |
| Gasoline | | \$2.8513 | \$0.0392 |

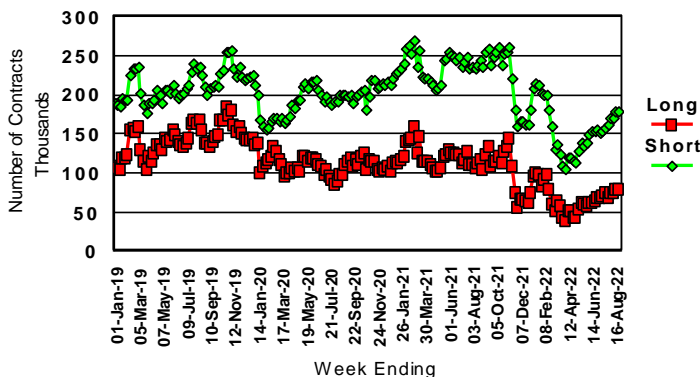
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 23, 2022

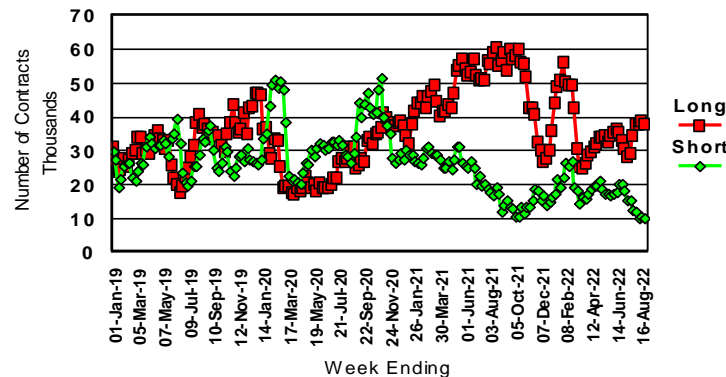
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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