

Market Commentary

Recap: The crude market on Friday retraced some of its previous losses but still ended the week lower on concerns over a supply surplus and weak Chinese demand. On Thursday, Saudi Arabia and Russia called for all OPEC+ members to join an agreement on output cuts for the good of the global economy but the market still ended lower. In overnight, the oil market posted a low of \$69.50 and rallied to \$71.29 ahead of the U.S. jobs report for November. The report showed stronger than expected U.S. job growth and a fall in the unemployment rate, lowering expectations that the Fed will cut rates by early next year. The market later rallied higher around mid-morning following the news that the Department of Energy solicited 3 million barrels of crude for the SPR in March. The market traded to a high of \$71.63 and later retraced some of its gains ahead of the close. The January WTI contract settled up \$1.89 or 2.73% at \$71.23. However, the market which lost 3.83% this week ended lower for the seventh consecutive week. This is the longest losing streak since the week ending November 23, 2018, when the market fell for seven straight weeks. The February Brent contract settled up \$1.79 or 2.42% at \$75.84 but ended down 3.85% on the week. The product markets ended the session higher, with the heating oil market settling up 3.18 cents at \$2.581 and the RB market settling up 4.86 cents at \$2.0498.

Technical Analysis: While the market may have seen a correction in prices on Friday, the market remains in a downward trend. As we previously mentioned, the market's sentiment is unlikely to change until there is evidence that OPEC+ producers are complying with their recent output agreement. The market is seen finding support at its low of \$69.50, \$68.80, \$67.23 and \$67.05. Meanwhile, resistance is seen at \$71.63, its high followed by \$72.60, \$72.93, \$74.12, \$74.20, \$75.03 and \$75.47.

Fundamental News: The U.S. Department of Energy issued a solicitation for up to 3 million barrels of oil for the SPR in March 2024. The solicitation is for sour crude and the delivery will be received by the Big Hill SPR site in Texas. It is part of its ongoing efforts to refill the emergency oil reserve following the drawdown of 180 million barrels announced by President Joe Biden in the spring of 2022. This follows a December 1st solicitation for up to 3 million barrels for delivery to the reserve in February. The Energy Department said it has already purchased nearly 9 million barrels for the SPR at an average price of about \$75/barrel. The reserve currently holds 351.9 million barrels of oil.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a fourth consecutive week for the first time since November 2022. Baker Hughes reported that the oil and gas rig count increased by one to 626 in the week ending December 8th, its highest since September. It reported that U.S. oil rigs fell by two to 503 this week, while gas rigs increased by three to 119, their highest since September.

Russian Deputy Prime Minister, Alexander Novak, said that the OPEC+ group of leading oil producers will be ready to make a decision if market situation requires it. He also said that oil market situation requires agreed joint decisions.

IIR Energy said U.S. oil refiners are expected to shut in 160,000 bpd of capacity in the week ending December 8th, increasing available refining capacity by 396,000 bpd. Offline capacity is expected to increase to 249,000 bpd in the week ending December 15th.

The Explorer Pipeline has been temporarily shut down following a flash fire at a facility in Port Arthur, Texas on Tuesday afternoon. The anticipated restart of the mainline systems is Saturday afternoon. The lateral system restarts will follow shortly after that as inventory is available.

Early Market Call - as of 9:00 AM EDT

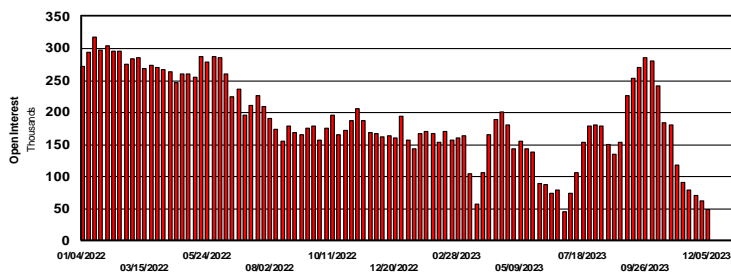
WTI - January \$70.90, down 32 cents
 RBOB - January \$2.0386, down 1.10 cents
 HO - January \$2.5921, up 1.11 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.5810	0.0318	-0.0805
Jan-24	2.5508	0.0327	-0.0790
Feb-24	2.5171	0.0330	-0.0795
Mar-24	2.4771	0.0319	-0.0800
Apr-24	2.4518	0.0321	-0.0775
May-24	2.4378	0.0313	-0.0748
Jun-24	2.4366	0.0313	-0.0735
Jul-24	2.4372	0.0318	-0.0731
Aug-24	2.4394	0.0321	-0.0746
Sep-24	2.4425	0.0326	-0.0729
Oct-24	2.4412	0.0322	-0.0702
Nov-24	2.4350	0.0310	-0.0678
Dec-24	2.4300	0.0311	-0.0631
Jan-25	2.4228	0.0311	-0.0574
Feb-25	2.4118	0.0308	-0.0522
Mar-25	2.3952	0.0306	-0.0470
Apr-25	2.3867	0.0300	-0.0426

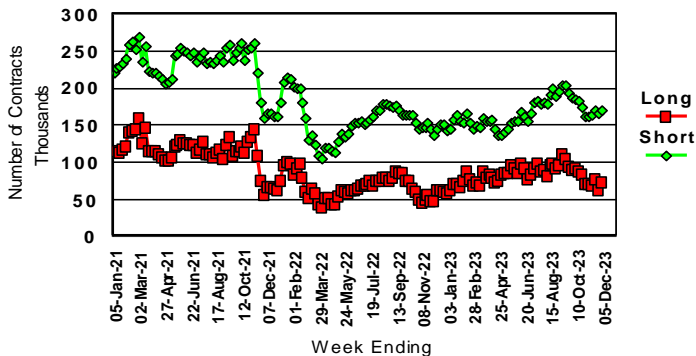
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$4.40	\$71.4400	\$1.8500
Crude - Brent		\$75.8400	\$1.7900
Natural Gas		\$2.5810	-\$0.0040
Gasoline		\$2.0498	\$0.0486

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

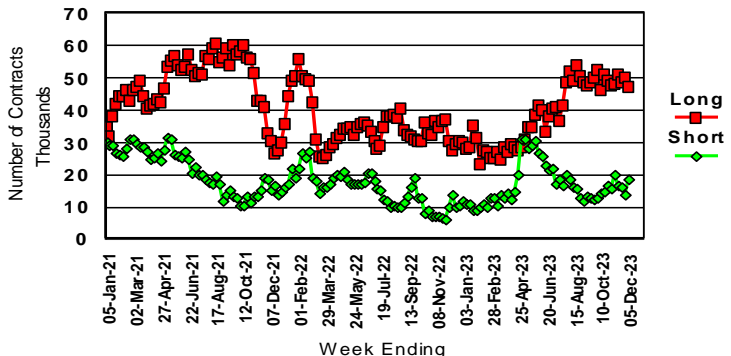


Commitment of Traders Report for the Week Ending December 5, 2023

Producer/Merchant Heat Posits
 CFTC Commitment of Traders Report



Managed Money Heat Posits
 CFTC Commitment of Traders Report



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