

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures turned higher on Thursday, with WTI piercing the \$90 mark, a day after OPEC+ stuck with a plan to boost production by another 400,000 barrel a day in March. A decline in the U.S. dollar index today to a 2-week low also supported energy prices. Crude also has carry-over support from Wednesday when the EIA reported that crude inventories unexpectedly fell by 1.05 million barrels last week. However, gains in crude prices were limited today as a slump in stocks undercut confidence in the economic outlook that is negative for energy demand. Oil prices had been trading lower before a mid-session turnaround on news that some production in the Permian Basin was shutting down due to the extreme cold temperatures in the south. The crude market rallied over \$2 to a high of \$90.37 in afternoon trading after it breached the \$90/barrel level for the first time since October 6, 2014. The March crude contract settled up \$2.01 or 2.28% at 90.27, while the April Brent contract settled up \$1.64 or 1.83% at \$91.11. The product markets also ended the session sharply higher, with the heating oil market settling up 7.06 cents at \$2.8395 and the RB market settling up 3.57 cents at \$2.6427.

Technical Analysis: The oil market, which posted an outside trading day on Thursday, is seen retracing some of its sharp gains before it continues on its upward trend on concerns over supplies. Any of the market's losses will be limited as a major winter storm moves across much of the central United States and the Northeast. The market is seen finding support at \$88.25, \$87.30, \$86.75 and \$85.00. Resistance is seen at \$90.37, \$90.50, followed by more distant resistance at \$93.67, basis a trendline.

Fundamental News: Goldman Sachs stated that while there was no upside surprise in OPEC+ increasing its output by 400,000 bpd, the decision was in line with their global oil supply-demand balance.

The Japanese government said Saudi Arabia's Crown Prince Mohammed bin Salman told Japanese Prime Minister Fumio Kishida during a telephone conversation that the kingdom would contribute to the stabilization of the international crude oil market.

An explosion has rocked an oil production vessel owned by Nigeria's Shebah Exploration & Production Company Ltd that had ten crew members on board, none of which have been accounted for. The FPSO Trinity Spirit, capable of carrying 2 million bpd of oil, is a floating production, storage and offloading vessel in Warri south-west, Niger Delta. It can process up to 22,000 bpd. SEPCOL's Chief Executive, Ikemefuna Okafor, said investigations were underway to establish the cause of the explosion in the early hours of Wednesday while attempts to contain the situation were being made with help from local communities and Chevron, which has a facility nearby. An industry source said the vessel had about 50,000 barrels in storage but was not pumping crude from the Ukpokiti oilfield in the OML 108 block when it exploded.

Colonial Pipeline Co is allocating space for Cycle 9 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

New orders for U.S.-made goods fell slightly more than expected in December, but manufacturing remains supported by businesses replenishing inventories. The Commerce Department said that factory orders fell by 0.4% in December. Data for November was revised higher to show orders increasing 1.8% instead of 1.6% as previously reported. Orders increased 16.9% in 2021.

Early Market Call - as of 8:20 AM EDT

WTI - Mar \$92.01, up \$1.74
 RBOB - Mar \$2.6730, up 3.07 cents
 HO - Mar \$2.8891, up 4.96 cents

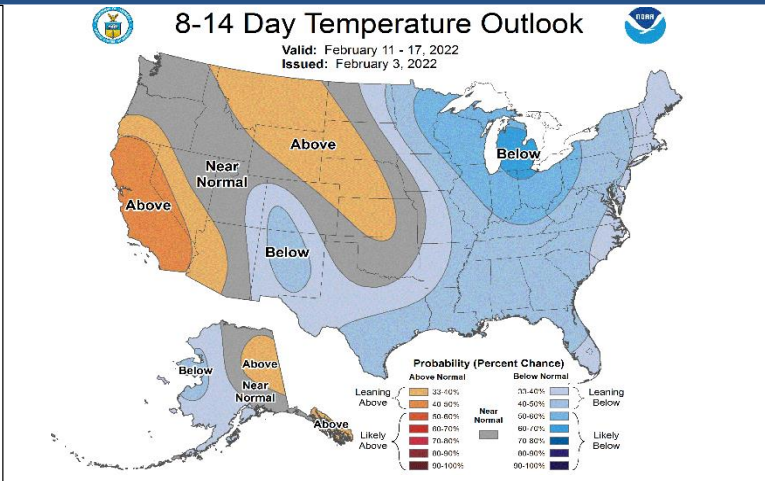
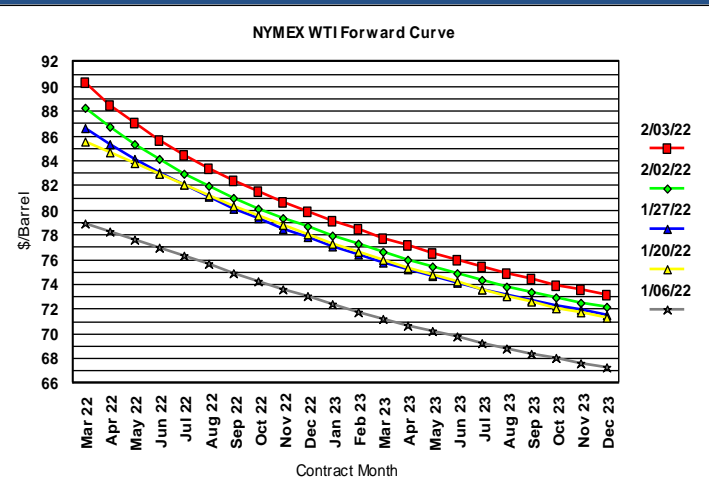
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-22	2.8395	0.0706	0.1220
Apr-22	2.7204	0.0477	0.0950
May-22	2.6518	0.0365	0.0757
Jun-22	2.6116	0.0322	0.0635
Jul-22	2.5872	0.0305	0.0593
Aug-22	2.5726	0.0296	0.0577
Sep-22	2.5660	0.0296	0.0511
Oct-22	2.5593	0.0292	0.0566
Nov-22	2.5496	0.0288	0.0553
Dec-22	2.5365	0.0291	0.0533
Jan-23	2.5232	0.0294	0.0512
Feb-23	2.5053	0.0288	0.0484
Mar-23	2.4849	0.0285	0.0472
Apr-23	2.4606	0.0284	0.0473
May-23	2.4404	0.0274	0.0468
Jun-23	2.4240	0.0266	0.0454
Jul-23	2.4146	0.0254	0.0441

Sprague HeatCurve October 2022-April 2023		\$2.5164	
		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$2.66	\$88.45	\$1.7600
Crude - Brent		\$91.11	\$1.6400
Natural Gas		\$4.8880	-\$0.6130
Gasoline		\$2.6427	\$0.0357

EIA Working Gas Storage Report				
	28-Jan-22	21-Jan-22	Change	28-Jan-2021
East	541	609	-68	590
Midwest	616	701	-85	728
Mountain	133	143	-10	160
Pacific	196	201	-5	263
South Central	837	938	-101	976
Salt	231	279	-48	282
Nonsalt	606	658	-52	694
Total	2,323	2,591	-268	2,716

WTI Forward Curve

8-14 Day Weather Forecast



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