

Market Commentary

Recap: Oil prices traded in a volatile fashion on Thursday, supported by production cuts from within and outside of OPEC, but also pressured by concerns of a weakening global economy. After bottoming out at \$45.35 in early morning trading, February WTI clawed its way back to the upside, reaching a session high of \$47.49, a gain of 2 percent over Wednesday's settlement. Upside potential was dimmed by a weak U.S. equities market, which pushed prices back below unchanged, only to have them reverse course back to the plus side. February WTI settled at \$47.09 a barrel, up 55 cents, or 1.18% and March Brent settling at \$55.95, up \$1.04, up 1.89%. February RBOB settled at \$1.35 a gallon, up 1.8%, while February heating oil added 2.4% to \$1.742 a gallon.

Technical Analysis: After bouncing around in what was an inside trading session, WTI held above \$45.19, the current 10-day moving average, settling above it for the fourth straight session. There is a possible rounded bottom forming on a daily spot continuation chart. The breakout point of this formation is \$54.76. Should spot WTI break above this level, and hold above it on a retest, we should see follow through buying with a projected upside target of \$77.18. Resistance prior to this level is set at \$50.00 and \$52.15. Support is set at \$44.35 and below that at \$42.50.

Fundamental News: Genscape reported that crude stocks held in Cushing, Oklahoma in the week ending Friday, December 28th increased by 875,272 barrels on the week and by 440,868 barrels from Tuesday, December 25th to 44,274,738 barrels.

Bloomberg reported that crude stocks held in Cushing, Oklahoma increased by 1.2 million barrels to 42.5 million barrels in the week ending December 28th.

According to GasBuddy's Price Fuel Outlook, the projected \$2.70/gallon pump price for 2019 is 3 cents lower than 2018 levels, although this year's high could reach \$3 as soon as May and surpass \$4 in some cities.

Libya's oil exports have been suspended as bad weather conditions forced the country to shut all of its export terminals. A local shipping agent said adverse weather conditions began to impact loadings from Libyan ports in the afternoon of December 31st. Separately, Libya's National Oil Corp said that the closed Sharara oilfield is expected to lose up to 11,000 bpd when production restarts due to damage to the facility.

Kuwait's Port Authority resumed port operations at the Shuwaikh, Doha and Shuaiba ports after temporarily halting them earlier due to bad weather.

A Reuters survey found that OPEC's oil supply fell in December by the largest amount in almost two years. OPEC produced 32.68 million bpd in December, down 460,000 bpd from November and the largest monthly decline since January 2017. The largest decline in OPEC supply in December came from Saudi Arabia and amounted to 400,000 bpd.

According to JBC Energy, OPEC's oil output fell by 825,000 bpd in December, led by a 400,000 bpd decline from Saudi Arabia and will be followed by another 870,000 bpd decline in January. JBC sees a 30,000 bpd fall in Venezuela's oil output in December.

According to Refinitiv Eikon and market intelligence firm Kpler, OPEC crude cargoes leaving for the US in December fell to the lowest level in at least five years. Oil cargoes departing from OPEC nations to the US fell to 1.63 million bpd in December, down from 1.8 million bpd in November and 1.78 million bpd in October. Vessels carried about 534,000 bpd from Saudi Arabia to the US, down from 632,000 bpd in November. OPEC produced 32.68 million bpd in December, down 460,000 bpd on the month.

Early Market Call - as of 8:15 AM EDT

WTI - Feb \$47.69, up 59 cents

RBOB - Jan \$1.3616, up 1.32 cents

HO - Jan \$1.7656, up 2.29 cents

All NYMEX | Prior Settlements

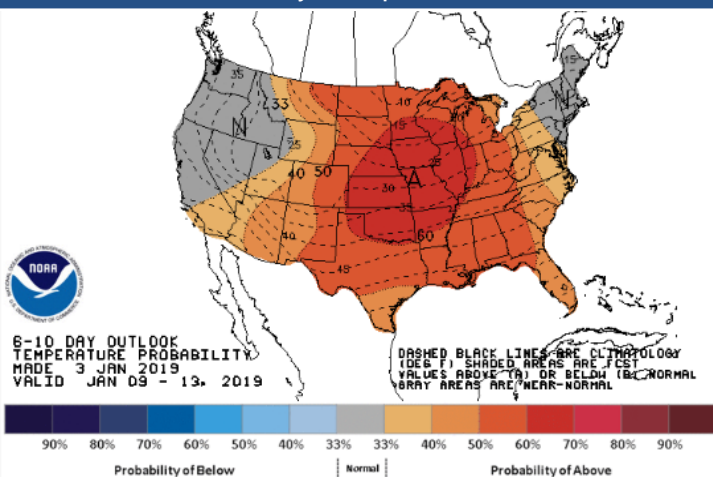
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-19	\$1.7420	\$0.0414	\$0.0685
Mar-19	\$1.7326	\$0.0398	\$0.0695
Apr-19	\$1.7192	\$0.0382	\$0.0675
May-19	\$1.7167	\$0.0361	\$0.0651
Jun-19	\$1.7235	\$0.0338	\$0.0635
Jul-19	\$1.7361	\$0.0330	\$0.0621
Aug-19	\$1.7478	\$0.0322	\$0.0603
Sep-19	\$1.7595	\$0.0314	\$0.0589
Oct-19	\$1.7699	\$0.0311	\$0.0582
Nov-19	\$1.7788	\$0.0312	\$0.0579
Dec-19	\$1.7860	\$0.0312	\$0.0575
Jan-20	\$1.7929	\$0.0310	\$0.0572
Feb-20	\$1.7938	\$0.0304	\$0.0559
Mar-20	\$1.7910	\$0.0296	\$0.0539
Apr-20	\$1.7859	\$0.0285	\$0.0527
May-20	\$1.7886	\$0.0273	\$0.0516
Jun-20	\$1.7976	\$0.0271	\$0.0513

Other Front Month NYMEX		Close	Change
Crude - WTI	Mar Brent-	\$47.4000	\$0.5400
Crude - Brent	WTI Spread	\$55.9500	\$1.0400
Natural Gas	\$8.55	\$2.9450	-\$0.0130
Gasoline		\$1.3495	\$0.0239

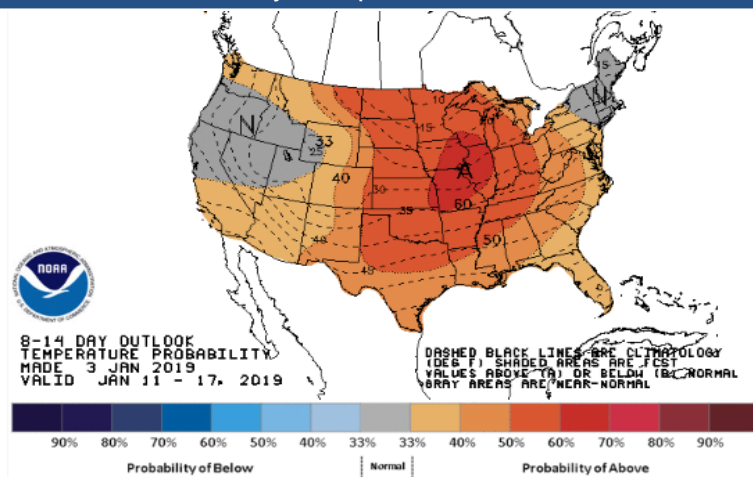
API Weekly Report for the Week Ending December 28, 2018

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.5 million barrels	Down 2.3 million barrels
Cushing, OK Crude Stocks	Up 483,000 barrels	Up 875,000 to 1.2 million barrels
Gasoline Stocks	Up 8 million barrels	Up 2.3 million barrels
Distillate Stocks	Up 4 million barrels	Up 1.6-2.6 million barrels
Refinery Runs	Up 98,000 bpd	Up 0.8%

NOAA 6-10 Day Temperature Outlook



NOAA 8-14 Day Temperature Outlook



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