

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Tuesday sold off as fears of a disruption to supplies amid the conflict in the Middle East receded after Saudi Arabia pledged to help stabilize the market. The market retraced some of its losses in overnight trading and posted a high of \$86.51 before it began to erase its gains and sold off sharply. The market backfilled its gap from \$84.67 to \$83.28 as it posted a low of \$83.11 by mid-day. This followed Saudi Arabia's assurances on Tuesday that it was working with regional and international partners to prevent an escalation of the conflict in Israel and its efforts to stabilize oil markets. The market later traded in about a \$1.50 range from \$83.11 to \$84.64 during the remainder of the session. The November WTI contract settled down \$2.48 at \$83.49 and the December Brent contract settled down \$1.83 at \$85.82. The product markets in negative territory, with the heating oil market settling down 2.16 cents at \$2.9985 and the RB market settling down 4.83 cents at \$2.2101.

Market Analysis: The crude market on Thursday will be driven by any developments regarding the crisis in the Middle East, although there are no signs of the conflict impacting supply at this time. It will also look to the weekly petroleum stocks reports for further direction, with a small build expected in crude stocks and draws in product stocks. Technically, the market is seen finding support at its low of \$83.11 followed by \$81.50, \$81.00, \$80.43 and \$78.94. Resistance is seen at \$84.64, \$85.67, \$86.51, \$86.74, \$87.24, \$88.27, \$89.59 and \$89.86.

Fundamental News: The EIA cut its global oil demand growth forecast for 2023 by 50,000 bpd to 1.76 million bpd and its 2024 estimate by 40,000 bpd to 1.32 million bpd. Total world petroleum demand is estimated at 100.92 million bpd in 2023 and increase to 102.24 million bpd in 2024. The EIA reported that global oil inventories are expected to fall by 200,000 bpd in the second half of 2023 due to the voluntary cuts from Saudi Arabia, along with reduced production targets among OPEC+ countries. Total world oil output is forecast to increase by 1.31 million bpd to 101.26 million bpd in 2023 but fall by 930,000 bpd to 102.19 million bpd in 2024. OPEC's oil output in 2023 is expected to fall by 750,000 bpd to 27.92 million bpd and fall by 140,000 bpd to 27.78 million bpd in 2024. U.S. oil output is forecast to increase by 1.46 million bpd to 21.76 million bpd in 2023 and by 40,000 bpd to 22.16 million bpd in 2024. Meanwhile, U.S. petroleum demand is forecast to increase by 60,000 bpd to 20.07 million bpd in 2023 and by 150,000 bpd to 20.22 million bpd in 2024. U.S. gasoline demand is forecast to increase by 3,000 bpd to 8.84 million bpd in 2023 but fall by 150,000 bpd to 8.69 million bpd in 2024, while distillate demand is expected to fall by 110,000 bpd to 3.92 million bpd in 2023 and increase by 50,000 bpd to 3.97 million bpd in 2024. In regards to oil prices, the price of Brent crude is expected to increase to \$94.91/barrel in 2024, up from a previous forecast of \$88.22/barrel.

Russian Deputy Prime Minister, Alexander Novak, said that he and Saudi Arabia's Minister for Energy Prince Abdulaziz bin Salman discussed the oil market and cooperation within the OPEC+ group of oil producers amid the escalating conflict between Israel and Hamas.

IIR Energy said U.S. oil refiners are expected to shut in 2 million bpd of capacity in the week ending October 13th, increasing available refining capacity by 87,000 bpd. Offline capacity is expected to fall to 1.6 million bpd in the week ending October 20th.

Early Market Call - as of 8:35 AM EDT

WTI - November \$84.78, up \$1.28
 RBOB - November \$2.2183, up 82 cents
 HO - November \$3.0414, up 4.32 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	2.9985	-0.0216	-0.0193
Dec-23	2.9118	-0.0128	-0.0136
Jan-24	2.8557	-0.0089	-0.0127
Feb-24	2.8141	-0.0081	-0.0087
Mar-24	2.7653	-0.009	-0.0014
Apr-24	2.7047	-0.0088	0.0062
May-24	2.6623	-0.0095	0.01
Jun-24	2.6365	-0.0103	0.0149
Jul-24	2.6297	-0.0102	0.0193
Aug-24	2.628	-0.0099	0.0233
Sep-24	2.6306	-0.0102	0.0263
Oct-24	2.6306	-0.0115	0.0281
Nov-24	2.6249	-0.0136	0.0281
Dec-24	2.6138	-0.0162	0.0252
Jan-25	2.6012	-0.0167	0.023
Feb-25	2.5829	-0.0155	0.019
Mar-25	2.5605	-0.0134	0.0163

Sprague HeatCurve October 2024-April 2025			Close	Change
Crude - WTI	Dec Brent-WTI Spread \$3.75	}	\$82.0700	-\$2.0600
Crude - Brent			\$85.8200	-\$1.8300
Natural Gas			\$3.3770	-\$0.0050
Gasoline			\$2.2101	-\$4.8300

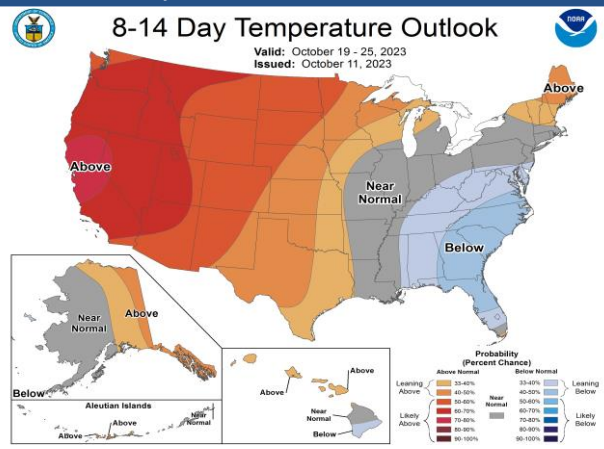
API Report for the Week Ending October 6, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 12.9 million barrels	Up 200,000 barrels
Gasoline Stocks	Up 3.6 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 3.5 million barrels	Down 1.8 million barrels
Refinery Runs		Unchanged

December Heating Oil



8-14 Day Weather Forecast



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