

Market Commentary

Recap: Oil prices slipped in early trading on Monday, falling close to their lowest level this year, as street protests against strict COVID-19 curbs in China, the world's biggest crude importer, stoked concern over the outlook for fuel demand. A rebound ensued as rumors of an OPEC+ production cut offset the news out of China. Both benchmarks, which hit 10-month lows last week, have posted three consecutive weekly declines. The Organization of the Petroleum Exporting Countries and allies including Russia, a group known as OPEC+, will meet on December 4. In October, OPEC+ agreed to reduce its output target by 2 million barrels per day through 2023. Meanwhile, Group of Seven (G7) and European Union diplomats have been discussing a price cap on Russian oil of between \$65 and \$70 a barrel, with the aim of limiting revenue to fund Moscow's military offensive in Ukraine without disrupting global oil markets. WTI January delivery gained 96 cents per barrel, or 1.26% to \$77.24. Brent Crude for January delivery lost 44 cents per barrel, or 0.53% to \$83.19. RBOB Gasoline for December delivery gained 0.24 cents per gallon, or 0.10% to \$2.330, while ULSD for December delivery lost 2.37 cents per gallon, or 0.73% to \$3.2154.

Technical Analysis: January WTI rebounded from below \$75, as traders bet on aggressive production cuts from OPEC+ but failed to recapture the \$80 level. In the near term, we expect oil prices to continue to the downside, as a global economic slowdown puts a slump on demand. As a result, we would look to sell this market on signs of fatigue. Support is set at \$74.61, \$71.99 and \$70.37, with resistance seen at \$78.85, \$80.47 and \$83.09.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, November 25th fell by 259,861 barrels and by 158,397 barrels from Tuesday, November 22nd to 27,646,917 barrels.

JP Morgan expects Brent crude prices to average \$90/barrel in 2023 and \$98/barrel in 2024. Its forecast of \$90/barrel in 2023 rests on the view that OPEC+ will do the heavy lifting to keep markets balanced next year. It added that OPEC+ would need to cut output to balance out supply growth from countries, such as Brazil, Norway, Guyana, the U.S., Canada and Argentina next year. JP Morgan expects output growth from U.S. shale producers to more than halve to 500,000 bpd in 2024 from 1.1-1.2 million bpd in 2022.

Goldman Sachs in a research note to clients is calling for Brent crude oil prices to average \$110 per barrel in 2023.

Refinitiv tracking data showed that November diesel arrivals to Europe are expected to reach a record high of about 6.83 million tons, surpassing the previous record in October of 6.37 million tons. Exports from Russia to Europe increased sharply with deliveries this month set to reach 3.36 million tons, the highest since May 2021 and up from 2.69 million tons last month.

Authorities in Shanghai put up barriers on Monday around a city center area where hundreds of people protested over the weekend against stringent COVID-19 measures, as anti-lockdown demonstrations flared across China. From the streets of Shanghai and the capital, Beijing, to dozens of university campuses, protesters made a show of civil disobedience unprecedented since leader Xi Jinping assumed power a decade ago. There was no sign of new protests on Monday in Beijing or Shanghai. The backlash against COVID curbs is a setback for China's efforts to eradicate the virus, which is infecting record numbers three years after it emerged in the central city of Wuhan. Many analysts say China is unlikely to re-open before March or April, and needs an effective vaccination campaign before that.

Early Market Call - as of 8:20 AM EDT

WTI - January \$78.44, up \$1.20

RBOB - December \$2.3683, up 3.77 cents

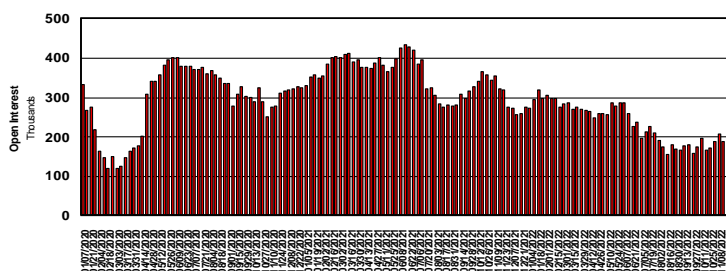
HO - December \$3.2536, up 3.82 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.2154	-0.0237	-0.2819
Jan-23	3.1514	-0.0169	-0.2273
Feb-23	3.0931	-0.0128	-0.1912
Mar-23	3.0305	-0.0069	-0.1579
Apr-23	2.9588	-0.0001	-0.1283
May-23	2.9077	0.0056	-0.1008
Jun-23	2.8679	0.0094	-0.0835
Jul-23	2.8478	0.0126	-0.0718
Aug-23	2.8321	0.0145	-0.0645
Sep-23	2.8188	0.015	-0.0609
Oct-23	2.8059	0.0158	-0.0574
Nov-23	2.7918	0.017	-0.0541
Dec-23	2.7766	0.0185	-0.0503
Jan-24	2.7592	0.0188	-0.0471
Feb-24	2.7411	0.0198	-0.0453
Mar-24	2.7124	0.0207	-0.0438
Apr-24	2.6776	0.0217	-0.0419

Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	Jan Brent-WTI Spread \$5.95	\$77.2400	\$0.9600
Crude - Brent		\$83.1900	-\$0.4400
Natural Gas		\$6.7120	-\$0.3120
Gasoline		\$2.3306	\$0.0024

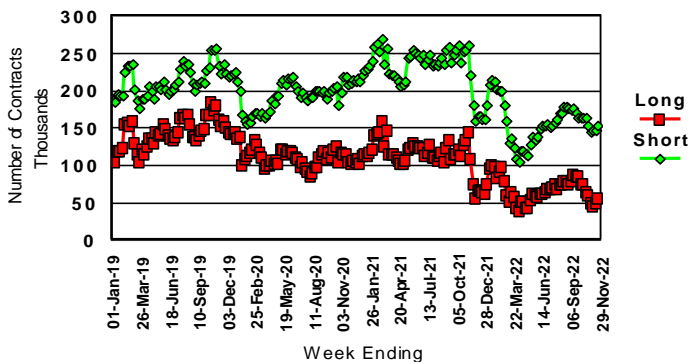
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending November 22, 2022

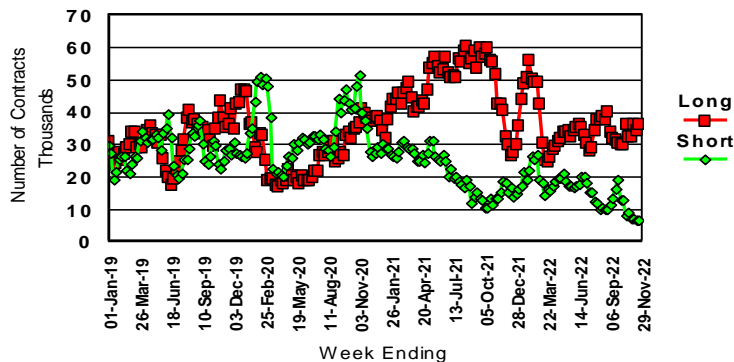
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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