

## Market Commentary

**Recap:** U.S. crude oil stockpiles fell by 5.4 million barrels, to 435.4 million barrels for the week ending November 11, as refinery activity accelerated, according to the Wednesday release by the Energy Information Administration. Analysts were expecting a decline of 500,000 barrels. The surprising decline in crude inventories was caused by the significant decline in U.S. crude oil imports. Oil futures were trading lower as Russian oil shipments via the Druzhba pipeline to Hungary restarted and rising COVID-19 cases in China weighed on sentiment however, loses were slightly reduced after the release of the EIA report. WTI December delivery lost \$1.33 per barrel, or 1.53% to \$85.59. This is the lowest settlement for a front month contract since October 25. Brent Crude for January delivery lost \$1.00 per barrel, or 1.07% to \$92.86, the lowest settlement for a front month contract since November 9. RBOB Gasoline for December delivery lost 0.81 cent per gallon, or 0.32% to \$2.5080; down for three consecutive sessions and down 10.16 cents or 3.89% over the last three sessions. ULSD for December delivery lost 2.77 cents per gallon, or 0.76% to \$3.6136, the largest one day dollar and percentage decline since Thursday, Nov. 10, 2022. ULSD was down seven of the past eight sessions

**Technical Analysis:** At the moment, various geopolitical situations are influencing oil markets, among which include increased and persistent tensions between Russia and Ukraine, weak Chinese economic data and COVID restrictions and their impact on demand. Despite its efforts, WTI has been unable to settle below \$85 a barrel, a key psychological number. A successful push below this level should give this market enough momentum to work its way toward the \$82 level. Below \$82, support is seen at \$79.81 and below that at \$76.25. To the upside, resistance is set between \$87.19 and \$87.82 and above that at \$89.05.

**Fundamental News:** The EIA said U.S. commercial crude oil imports fell by 895,000 bpd in the latest week to 5.6 million bpd, the lowest level since May 2021. In the U.S. Gulf Coast region, crude oil imports fell by 257,000 bpd last week to 879,000 bpd, the lowest level since December 2021. U.S. crude stocks in the SPR fell by 5.4 million barrels to 435.4 million barrels, the lowest level since March 1984.

OPEC Secretary General, Haitham al-Ghais, said that the organization is ready to intervene for the benefit of oil markets. He also said that OPEC is aware, cautious and monitoring economic developments worldwide.

Hungarian Foreign Minister, Peter Szijarto, said Russian oil shipments via the Druzhba pipeline to Hungary have restarted, adding that the pipeline was still operating with low pressure after a temporary shutdown on Tuesday. Oil supply to parts of Eastern and Central Europe via a section of the Druzhba pipeline were temporarily suspended on Tuesday for technical reasons.

Barclays forecast Brent oil prices in the fourth quarter at \$93/barrel and WTI prices at \$86/barrel. It sees Brent oil prices and WTI prices at \$92/barrel and \$86/barrel in the first quarter of 2023, respectively and sees Brent oil prices at \$103/barrel in the fourth quarter of 2023 and WTI prices at \$99/barrel.

Petro-Logistics said crude oil exports by OPEC have fallen significantly so far this month, suggesting members are delivering on their share of the output cut agreed by the group and its allies.

IIR Energy said U.S. oil refiners are expected to shut in about 524,000 bpd of capacity in the week ending November 18<sup>th</sup>, increasing available refining capacity by 193,000 bpd. It reported that offline capacity is expected to fall to 305,000 bpd in the week ending November 25<sup>th</sup>.

**Early Market Call - as of 8:15 AM EDT**

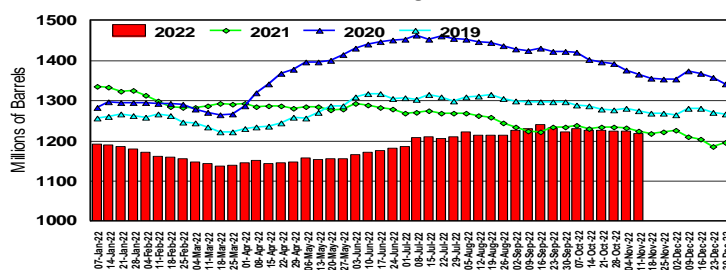
WTI - December \$83.90 Down 1.70  
 RBOB - December \$2.46.83 Down 0.0427  
 HO - December \$3.5593 Down 0.0583

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.6136	-0.0277	-0.0427
Jan-23	3.4839	-0.026	-0.0074
Feb-23	3.3812	-0.0276	0.0029
Mar-23	3.2787	-0.0285	0.0016
Apr-23	3.1727	-0.0292	-0.0001
May-23	3.0901	-0.0299	0.0031
Jun-23	3.0281	-0.0307	0.0102
Jul-23	2.9922	-0.0315	0.015
Aug-23	2.966	-0.032	0.0194
Sep-23	2.9458	-0.0318	0.0241
Oct-23	2.9271	-0.0312	0.027
Nov-23	2.908	-0.0306	0.0289
Dec-23	2.8872	-0.0306	0.0291
Jan-24	2.865	-0.0307	0.0287
Feb-24	2.8435	-0.0305	0.0296
Mar-24	2.8124	-0.0304	0.0306
Apr-24	2.7723	-0.0302	0.0312

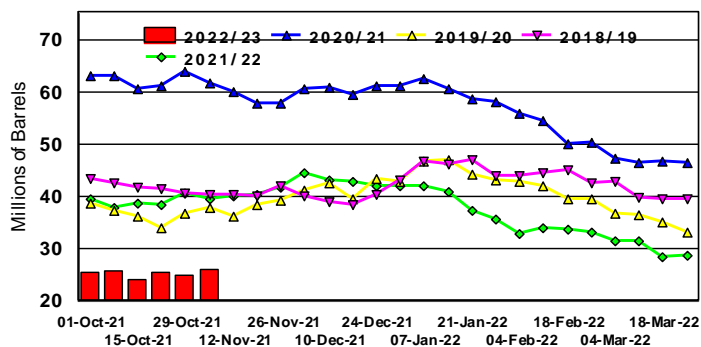
Sprague HeatCurve October 2023-April 2024		\$2.8580
	Close	Change
Crude - WTI	\$85.0000	-\$1.2500
Crude - Brent	\$92.8600	-\$1.0000
Natural Gas	\$6.2000	\$0.1660
Gasoline	\$2.5080	-\$0.0081

### Total U.S. Oil Stocks Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending November 11, 2022

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 5.4 million barrels  
 Cushing, OK Crude Stocks Down 1.62 million barrels  
**Gasoline Stocks** Up 2.2 million barrels  
**Distillate Stocks** Up 1.1 million barrels  
**Refinery % Operated** 92.9%, up 0.8%

#### PADD #1

	Week Ending Nov 11, 2022	Week Ending Nov 4, 2022	Week Ending Nov 12, 2021
Distillate Stocks (in million bbl)			
New England	3.7	3.5	7.7
Central Atlantic	11.6	11.7	19.5
Total PADD #1	25.9	24.9	39.9
Distillate Imports (thousands b/d)	89	291	207

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