



MarketWatch | Refined Products

Wednesday, September 28, 2022

Market Commentary

Recap: Oil futures bounced off of seven month lows after a report shows U.S. consumer confidence is seeing some improvement as gasoline prices decline from their all-time highs in June. Oil prices also recovered as traders reacted to Russia's plans to reduce OPEC+ production by 1 million barrels per day at the next meeting. A drop in the U.S. dollar added to the mix. The Conference Board Consumer Confidence Index increased in September for the second consecutive month to 108, which is up from 103.6 in August and beats a WSJ survey that was forecasting 104.5, while the nationwide average gas price stands at \$3.75 a gallon, well below the June 14 peak of \$5.02. WTI for November delivery gained \$1.79 per barrel, or 2.33% to \$78.50. Brent Crude for November delivery gained \$2.21 per barrel, or 2.63% to \$86.27. October RBOB gained 10.89 cents per gallon, or 4.57% to \$2.4931, while USLD for October delivery gained 13.08 cents per gallon, or 4.18% to \$3.2599.

Technical Analysis: After plunging to a nine-month low the previous session, oil prices are rebounding, supported by supply curbs in the U.S. Gulf of Mexico due to rapidly approaching Hurricane Ian. WTI bounced off of support at \$76.50 as it tried to recapture the \$80 level. Meanwhile, there are reports circulating that the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, may take action to stem the drop in prices by cutting supply. The group meets to set policy on October 5. It remains to be seen whether this attempt will be successful amid recession fears. A sustained push above \$80 will most certainly attract buyers and have the potential of pushing WTI back toward \$85. RSI remains in the moderate territory, so there is plenty of room to gain downside momentum in case the right catalysts emerge. Any signs of exhaustion will be met with renewed selling. A break below support set at \$75 could provide enough momentum to push this market toward \$70.

Fundamental News: BP said Tuesday afternoon that it would be redeploying offshore personnel to its Na Kika and Thunder Horse platforms after determining conditions were safe for the return as it sees Hurricane Ian is no longer poses a risk to its Gulf of Mexico assets.

The U.S. Bureau of Safety and Environmental Enforcement reported this afternoon that some 190,358 b/d offshore Gulf of Mexico oil production had been shut in on Tuesday ahead of the approach of Hurricane Ian. Some 184 million cf/d of natural gas production had also been shut in.

A CGT union official said strike action has stopped refined products from leaving three of TotalEnergies' refineries and one fuel storage depot in France. CGT union delegate, Thierry Defresne, said no product is leaving TotalEnergies' 240,000 bpd Gonfreville oil refinery, the 119,000 bpd Feyzin oil refinery, and its La Mede biorefinery. Product transport from the Cote d'Opale fuel storage depots near Dunkirk has also stopped. The Feyzin oil refinery is currently offline. Workers are striking across all of TotalEnergies' platforms except for the 230,000 bpd Donges refinery. The strike is expected to continue until September 29th.

Early Market Call - as of 8:20 AM EDT
 WTI - November \$79.94 Up \$1.42
 RBOB - October \$2.5212 Up \$0.0286
 HO - October \$3.3185 Up 0.0599

All NYMEX | Prior Settlements

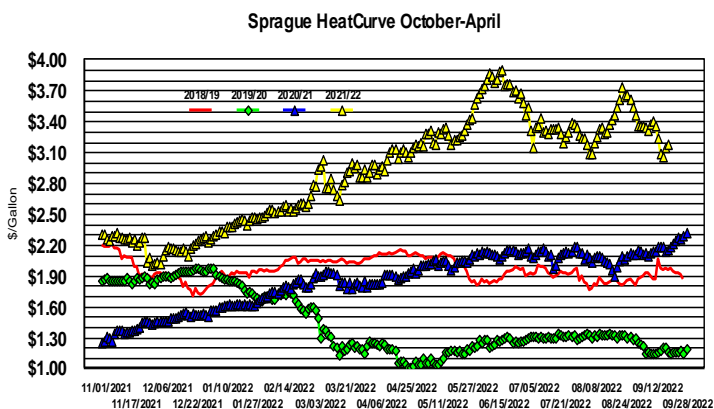
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-22	3.2599	0.1308	-0.1123
Nov-22	3.1629	0.1165	-0.1411
Dec-22	3.0871	0.1041	-0.1564
Jan-23	3.0363	0.0953	-0.1571
Feb-23	2.9835	0.0876	-0.1574
Mar-23	2.9185	0.0799	-0.1574
Apr-23	2.8464	0.0739	-0.1547
May-23	2.7966	0.069	-0.1502
Jun-23	2.7636	0.0659	-0.1452
Jul-23	2.7494	0.0616	-0.142
Aug-23	2.7372	0.0582	-0.1381
Sep-23	2.7244	0.0554	-0.1336
Oct-23	2.7123	0.0528	-0.129
Nov-23	2.6988	0.0496	-0.1248
Dec-23	2.6861	0.0472	-0.1182
Jan-24	2.6711	0.0469	-0.1134
Feb-24	2.6579	0.0469	-0.1116

Sprague HeatCurve October 2022-April 2023		\$2.9349
	Close	Change
Crude - WTI	\$78.5000	\$1.7900
Crude - Brent	\$86.2700	\$2.2100
Natural Gas	\$6.6510	-\$0.2520
Gasoline	\$2.4931	\$0.1089

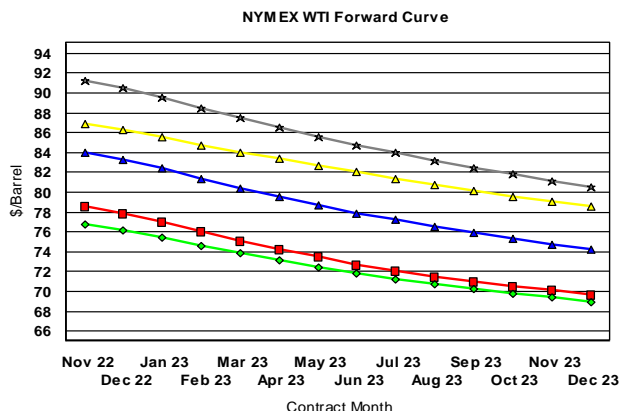
API Report for the Week Ending September 16, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 1 million barrel	Up 300,000 barrels
Gasoline Stocks	Down 1 million barrels	Up 400,000 barrels
Distillate Stocks	Up 438,000 barrels	Down 1.3 million
Refinery Runs		Down 0.8 at 92.8%

Sprague HeatCurve October-April



WTI Forward Curve



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