

Market Commentary

Recap: Oil futures climbed on Wednesday, with U.S. prices up by more than 3%. The oil market rebounded as the tug-of-war between concerns over supply and fears over demand continue the back-and-forth price action that has been a feature of the past few weeks. The market reacted to a report from the Energy Information Administration, which showed weekly declines in both domestic crude and gasoline supplies, while President Joe Biden has announced the release of 15 million barrels of crude from the nation's Strategic Petroleum Reserve - to complete the 180 million barrel release announced in the spring. West Texas Intermediate crude for November delivery rose \$2.73, or 3.3%, to settle at \$85.55 a barrel. The contract expires at the end of Thursday's trading session. Brent crude futures for December settlement LCOc1 ended up \$2.38, or 2.6%, to \$92.41 a barrel. U.S. West Texas Intermediate crude (WTI) <CLC1> for November, which is expiring on Thursday, ended at \$85.55 a barrel, up \$2.73, or 3.3%.

Technical Analysis: Despite the volatility seen in the oil markets, WTI remains range bound between \$80 and \$95. December WTI, the new front month contract, has retraced 62% of its bounce off of its September low of \$75.70 and the October high of \$92.34 and now sits above \$85, a key psychological number. Barring a major shift in the underlying fundamentals of this market, we expect to see more sideways trading within the aforementioned range. Resistance is seen at \$86 and above that at \$86.75, with support resting at \$81.30 and \$80.19.

Fundamental News: U.S. President Joe Biden announced a plan to sell 15 million barrels from the SPR by year's end and refill the stockpile when prices fall. He said extra oil could also be made available for sale if needed. He said the U.S. will refill the SPR when oil prices are at or below \$70/barrel. The U.S. President also urged the oil industry to increase its production and investment and offer consumers the appropriate price. The Biden administration's plan aims to add enough oil supply to the market to prevent price spikes that could hurt consumers and businesses, while also assuring the country's producers that the government will buy the oil if prices fall too low.

A U.S. Treasury official said new steps from G7 countries to cap Russian oil sales at an enforced low price will not be replicated against OPEC producers. The official added that the U.S. has communicated to representatives of OPEC to reassure them of those limits to its plans.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.7 million bpd of capacity in the week ending October 21st, increasing available refining capacity by 157,000 bpd. Offline capacity is expected to decrease to about 1.1 million bpd in the week ending October 28th.

A CGT union representative said industrial action at three of TotalEnergies' French refineries, the La Mede, Feyzin and Normandy refineries is continuing as well as at the Dunkirk fuel storage site. Earlier, a local CGT representative said that the strike at the Donges refinery ended after workers voted to end their strike. Separately, French Energy Transition Minister, Agnes Pannier-Runacher, said there are signs of a general improvement in the supply of petrol to service stations in France, but the situation in the Paris/Ile-de-France area remains difficult amid the strike.

Platts is reporting that a third of Libyan crude oil production could be shut-in as southern tribesmen were threatening to close the key oil fields, the 300,000 b/d Sharara field and also the 70,000 b/d El Feel oil field.

Early Market Call - as of 8:35 AM EDT

WTI - November \$87.32, up \$1.77

RBOB - November \$2.6880, up 3.58 cents

HO - November \$3.8630, down 4.13 cents

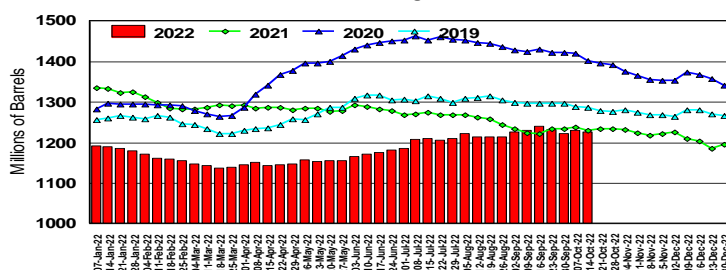
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-22	3.9043	-0.0892	-0.0285
Dec-22	3.5606	-0.0685	-0.061
Jan-23	3.4325	-0.0555	-0.0698
Feb-23	3.3432	-0.0452	-0.0659
Mar-23	3.2507	-0.037	-0.0601
Apr-23	3.1504	-0.0298	-0.0549
May-23	3.0705	-0.0235	-0.0504
Jun-23	3.0036	-0.0178	-0.05
Jul-23	2.9645	-0.0131	-0.0514
Aug-23	2.9376	-0.0089	-0.0505
Sep-23	2.9153	-0.0065	-0.0497
Oct-23	2.8943	-0.0054	-0.0484
Nov-23	2.8719	-0.0043	-0.0473
Dec-23	2.8485	-0.0046	-0.0448
Jan-24	2.824	-0.0046	-0.0419
Feb-24	2.8028	-0.0046	-0.0388
Mar-24	2.775	-0.0046	-0.0397

Sprague HeatCurve October 2023-April 2024

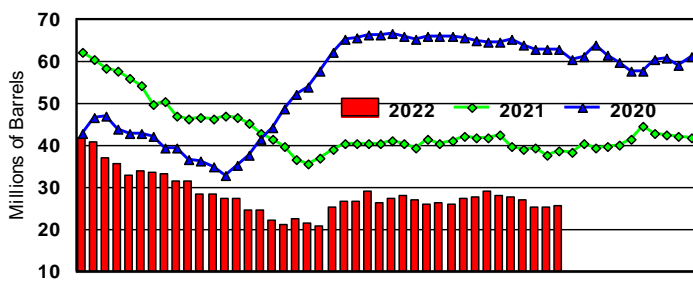
	Close	Change
Crude - WTI	\$84.5200	\$2.4500
Crude - Brent	\$92.4100	\$2.3800
Natural Gas	\$5.4620	-\$0.2830
Gasoline	\$2.6522	\$0.1016

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending October 14, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.7 million barrels

Cushing, OK Crude Stocks Up 583,000 barrels

Gasoline Stocks Down 114,000 barrels

Distillate Stocks Up 124,000 barrels

Refinery % Operated 89.5%, down 0.4%

PADD #1

	Week Ending Oct 14, 2022	Week Ending Oct 7, 2022	Week Ending Oct 15, 2021
Distillate Stocks (in million bbl)			
New England	3.5	3.4	6.7
Central Atlantic	11.6	11.2	18.9
Total PADD #1	25.6	25.5	38.7
Distillate Imports (thousands b/d)	71	76	188