

Market Commentary

Recap: Oil futures traded modestly lower Thursday, pressured after the EIA report revealed that U.S. crude supplies climbed for a fifth straight week, but found some support after news of a tentative Brexit deal offered a lift for assets perceived as risky, including oil. The EIA reported a 9.3 million barrel increase in U.S. crude oil inventories; analysts had expected a 2.8 million barrel increase. Oil prices slipped after the release of the report, but reverted to the upside on reports that a tentative Brexit deal had been reached. November WTI settled at \$53.93 a barrel, up 57 cents, or 1.07%, while December Brent added 49 cents, or 0.82%, to settle at \$59.91 a barrel. Prices continued to rise above settlement in late afternoon trading. November RBOB fell 0.1% to \$1.6225 a gallon, while November heating oil rose 0.3% at \$1.9481 a gallon.

Technical Analysis: November WTI breached resistance at \$54.00, but lacked momentum above it. With WTI continuing to find support above \$52.00, and its strong finish on Thursday, we would look for another push above \$54.00 and for an attempt for this market to make a run at \$55.00. Resistance above \$55.00 rests at \$55.39 and \$55.70. To the downside, support is set at \$53.30 and \$52.60.

Fundamental News: North Dakota's Industrial Commission reported that the state's oil production increased by 31,000 bpd to 1.477 million bpd in August.

Britain's 150,000 bpd North Sea Buzzard oilfield has been fully shut down since Wednesday morning for repairs. The field was shut earlier this month for about 10 days for repairs. A defect on topsides pipework was repaired last week and production safely restarted. A routine follow-up inspection identified that the integrity of the repair was subsequently compromised.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in August increased to 8.22 million bpd from 6.88 million bpd in July.

The joint technical committee monitoring a global deal between OPEC and non-OPEC producers found that compliance with oil cuts for September stood at 236%. The committee discussed weak compliance with the cuts from OPEC members Nigeria and Iraq.

The EPA said the US generated fewer renewable fuel blending credits in September than in August. About 1.19 billion (D6) blending credits were generated in September, down from 1.26 billion in August and 338.1 million biodiesel (D4) blending credits were generated in September, compared with 331.8 million a month earlier.

The International Monetary Fund said it saw signs of de-escalation in trade tensions between the US and China, which could reduce the damage already caused to the global economy by tit-for-tat tariffs. Managing Director, Kristalina Georgieva, said she was encouraged by news of a tentative trade deal reached by the US and China last week but urged the world's two largest economies to work towards a lasting "trade peace". He also called for countries to work together to reform the global trade system, to ensure a more peaceful and prosperous world in the future.

White House economic adviser, Larry Kudlow, said there was momentum to finalize the initial phase of a US-China trade deal that was outlined last week and may be signed at the APEC forum next month in Chile. He said the first phase of the China trade deal was "for real" and went beyond Chinese purchases of US agricultural products to include the opening of non-tariff barriers on agriculture. On Wednesday, Trump initially told reporters at the White House that he likely would not sign the agreement until he met with his Chinese counterpart at APEC.

Early Market Call - as of 8:25 AM EDT

WTI - Nov \$54.42, up 48 cents
 RBOB - Nov \$1.6353, up 1.26 cents
 HO - Nov \$1.9683, up 98 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-19	1.9481	0.0055	-0.0273
Dec-19	1.9333	0.0038	-0.0306
Jan-20	1.9207	0.0036	-0.0339
Feb-20	1.9046	0.0033	-0.0140
Mar-20	1.8857	0.0031	-0.0310
Apr-20	1.8627	0.0027	-0.0284
May-20	1.8476	0.0024	-0.0267
Jun-20	1.8378	0.0017	-0.0244
Jul-20	1.8348	0.0012	-0.0225
Aug-20	1.8336	0.0007	-0.0204
Sep-20	1.8343	0.0005	-0.0188
Oct-20	1.8358	0.0003	-0.0174
Nov-20	1.8375	0.0003	-0.0164
Dec-20	1.8379	0.0002	-0.0162
Jan-21	1.8378	0.0004	-0.0153
Feb-21	1.8328	0.0004	-0.0141
Mar-21	1.8235	0.0006	-0.0136

Other Front Month NYMEX		Close	Change
Crude - WTI	Nov Brent-	\$54.0300	\$0.5800
Crude - Brent	WTI Spread	\$59.9100	\$0.4900
Natural Gas	\$5.88	\$2.3180	\$0.0150
Gasoline		\$1.6225	-\$0.0023

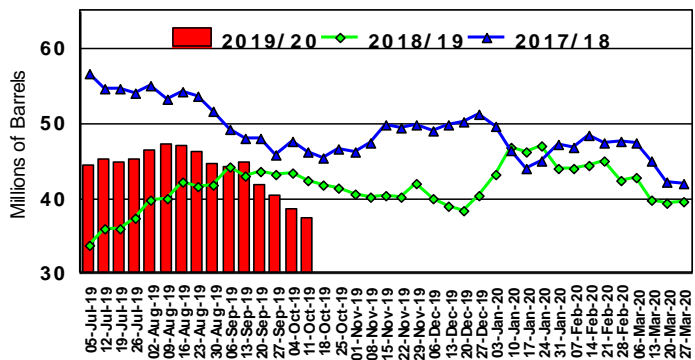
EIA Working Gas Storage Report

	11-Oct-19	04-Oct-19	Change	Year Ago
East	880	854	26	809
Midwest	1,044	1,009	35	903
Mountain	205	203	2	177
Pacific	296	296	0	264
South Central	1,093	1,054	39	874
Salt	246	229	17	201
Nonsalt	847	825	22	672
Total	3,519	3,415	104	3,025

Weekly EIA Petroleum Status Report for the Week Ending October 11, 2019

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 9.281 million barrels

Cushing, OK Crude Stocks Up 1.276 million barrels

Gasoline Stocks Down 2.562 million barrels

Distillate Stocks Down 3.823 million barrels

Refinery % Operated 83.1%, down 2.6%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Oct 11, 2019	Week Ending Oct 4, 2019	Week Ending Oct 12, 2018
New England	7.2	6.9	7.5
Central Atlantic	19.3	20.9	22.8
Total PADD #1	37.3	38.6	42.4
Distillate Imports (thousands b/d)	187	87	128

This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.