

Market Commentary

Recap: Oil tumbled after Iraq's state marketing company said exports haven't been affected by violent clashes in Baghdad while low liquidity exacerbated price moves. West Texas Intermediate fell as much as 6.7% to trade around \$91 a barrel as risk-off sentiment brought down most commodities. Clashes in Baghdad have yet to hit Iraq's oil production, soothing initial trader concerns that a major source of supply could be disrupted. Crude's tight market has outweighed worries in recent days that a global recession could slow demand. Meanwhile, liquidity keeps dropping to fresh six-year lows and below-average volumes have led to choppy summer trading, with prices moving in a \$7 range on Tuesday. WTI for October delivery lost \$5.37 per barrel, or 5.54% to \$91.64. October Brent lost \$5.78 per barrel, or 5.50% to \$99.31. RBOB for September delivery lost 18.32 cents per gallon, or 6.37% to \$2.6944, while September heating oil fell 9.29 cents or 2.37% to \$3.8171 per gallon.

Market Analysis: Tuesday's outside trading session, where the day's highs and low extended beyond that of the previous session, followed by a lower low, typically leads to further downside movement. With this in mind, coupled with the bearish looking technical indicators should push WTI down toward \$90. Just below this level, support is seen at \$89.60 and below that at \$87.01. Resistance is set at \$92.27, and \$95.

Fundamental News: A former IAEA official told Iran International, a pro-Tehran television station, "Iran and the U.S. have reached an agreement and it will be announced in the next two or three weeks."

The Wall Street Journal reported that Exxon has notified Russian officials it will sue the Federal government unless Russia allows the company to exit a major oil and gas project. Russia has banned investors from so-called unfriendly countries from selling shares in key energy projects and banks in the nation until the end of the year, stepping up pressure in the sanctions stand-off with the West.

Three sources stated that Iraq's oil exports are unaffected by the current political turmoil in the country. Baghdad is seeing its worst fighting for years as clashes between Shi'ite Muslim groups spill into a second day. Supporters of Shi'ite cleric Moqtada al-Sadr, a former anti-U.S. insurgent leader, have surrounded the Majnoon oil field in Basra since Monday evening and the 210,000 bpd Basrah refinery.

Key utilities may be repaired and running on Tuesday clearing the path for BP Plc to begin restarting its 435,000 bpd Whiting, Indiana refinery by Wednesday. An electrical fire on August 24th shut units and cut power to the cooling water system, temporarily idling the refinery.

Motiva Enterprises restarted the large hydrocracker at its 626,000 bpd Port Arthur, Texas, refinery over the weekend after completing repairs to the unit. The 105,000 bpd hydrocracker 2 was shut on Friday to repair a seal on the main charge pump. However, the refinery shut an 81,000 bpd fluid catalytic cracking unit at its 626,000 bpd Port Arthur, Texas refinery on Tuesday to check for a possible leak in a pipe on the unit. It plans to restart the fluid catalytic cracking unit by Friday.

Lyondell Basell Industries plans to return the large crude distillation unit to full production by Friday at its 263,776 bpd Houston refinery.

Early Market Call - as of 8:35 AM EDT

WTI - October \$89.06, down \$2.58
 RBOB - September \$2.6177, down 7.67 cents
 HO - September \$3.7500, down 6.71 cents

All NYMEX | Prior Settlements

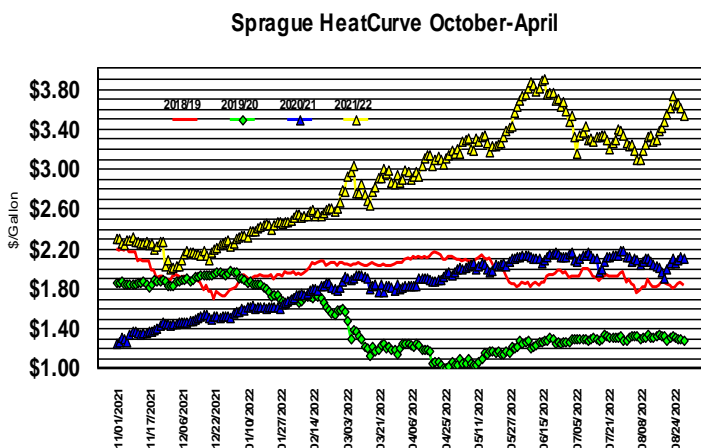
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-22	\$3.8171	-\$0.0928	-\$0.0248
Oct-22	\$3.7778	-\$0.0738	-\$0.0267
Nov-22	\$3.7053	-\$0.0778	-\$0.0430
Dec-22	\$3.6322	-\$0.0787	-\$0.0588
Jan-23	\$3.5595	-\$0.0774	-\$0.0751
Feb-23	\$3.4781	-\$0.0762	-\$0.0838
Mar-23	\$3.3823	-\$0.0780	-\$0.0935
Apr-23	\$3.2794	-\$0.0800	-\$0.1060
May-23	\$3.1958	-\$0.0802	-\$0.1183
Jun-23	\$3.1309	-\$0.0783	-\$0.1240
Jul-23	\$3.0860	-\$0.0777	-\$0.1233
Aug-23	\$3.0467	-\$0.0769	-\$0.1196
Sep-23	\$3.0125	-\$0.0749	-\$0.1148
Oct-23	\$2.9851	-\$0.0720	-\$0.1077
Nov-23	\$2.9610	-\$0.0710	-\$0.1027
Dec-23	\$2.9379	-\$0.0709	-\$0.0985
Jan-24	\$2.9144	-\$0.0711	-\$0.0935

Sprague HeatCurve October 2022-April 2023			\$3.5374
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$7.67	\$91.6400	-\$5.3700
Crude - Brent		\$99.3100	-\$5.7800
Natural Gas		\$9.0420	-\$0.2940
Gasoline		\$2.6944	-\$0.1832

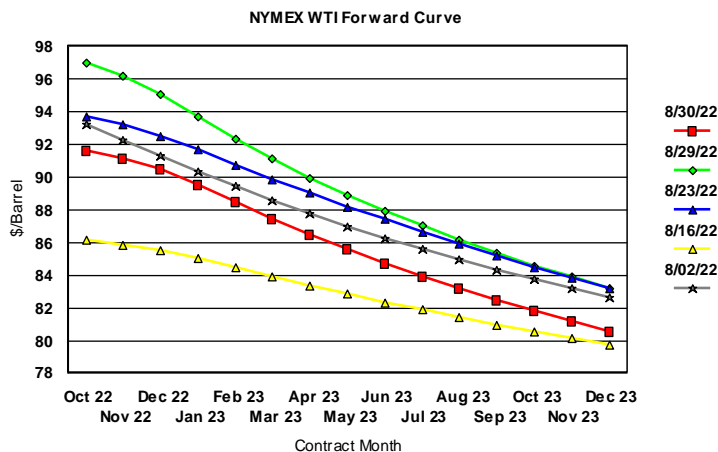
API Report for the Week Ending August 26, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 593,000 barrel	Down 1.5 million barrels
Gasoline Stocks	Down 3.4 million barrels	Down 1.2 million barrels
Distillate Stocks	Down 1.7 million barrels	Down 1 million barrels
Refinery Runs		Down 0.4%, 93.4%

Sprague HeatCurve October-April



WTI Forward Curve



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