

Market Commentary

Recap: The oil market rallied higher on Thursday following the news that Saudi Arabia was extending its voluntary output cut of 1 million bpd by one month to the end of September. The oil market traded mostly sideways overnight before further selling, in follow through from Wednesday's sell off, pushed the market to a low of \$78.69 after breaching its previous low and the lower boundary of its upward trending channel at \$79.05. The market later retraced some of its losses following the Saudi announcement that it was once again extending its voluntary output cut. The market was also well supported by the news that Russia was extending its export cuts of 300,000 bpd into September. The crude market continued to trend higher, rallying over \$2.30 as it posted a high of \$81.86 ahead of the close. The September WTI contract settled up \$2.06 at \$81.55, while the October Brent contract settled up \$1.94 at \$85.14. The product markets ended in mixed territory, with the heating oil market settling up 7.06 cents at \$3.0749 before it rallied to a high of \$3.0907 in the post close session and the RB market settled down 1.11 cents at \$2.7647.

Technical Analysis: The oil market on Friday will continue on its upward trend. While the OPEC+ Joint Ministerial Monitoring Committee is scheduled to hold a meeting on Friday and no change in OPEC+'s output policy is expected, the market will remain supported by the Saudi and Russian announcements. The crude market is seen finding resistance at its high of \$81.68, \$82.43 and \$84.40. Meanwhile, support is seen at \$79.90, \$79.50, its low of \$78.69, \$78.55 and \$78.29. More distant support is seen at \$76.64, \$76.44, \$75.69 and \$74.85.

Fundamental News: The state news agency SPA said Saudi Arabia will extend a voluntary oil output cut of one million bpd for another month to include September. The agency cited an official source at the ministry of energy as saying the cut can be "extended, or extended and deepened". The source said Saudi Arabia's production for September will be approximately 9 million bpd. The source said "This additional voluntary cut comes to reinforce the precautionary efforts made by OPEC+ countries with the aim of supporting the stability and balance of oil markets." Meanwhile, a panel from OPEC+, which includes members OPEC and allies led by Russia, is meeting on Friday.

White House national security spokesman, John Kirby, said the United States will continue to work with producers and consumers to ensure the energy market promotes growth after Saudi Arabia's decision to reduce oil production.

Russia's Deputy Prime Minister, Alexander Novak, said Russia will cut oil exports by 300,000 bpd in September. He said Russia will continue to voluntarily reduce its oil supply in the month of September to ensure the oil market remains balanced.

Colonial Pipeline Co is allocating space for Cycle 46 on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

Canadian Natural Resources Ltd expects the Trans Mountain expansion pipeline begin the line fill as soon as August. It expects the line fill to require up to 5 million barrels of oil.

Diesel flows into Europe in July reached a six-month high of 7.13 million tons, up from 6.38 million tons in June. August arrivals so far stand at 1.77 million tons. Meanwhile, exports from northwestern Europe to the U.S. in July stood at about 1.06 million metric tons.

Early Market Call - as of 8:15 AM EDT

WTI - September \$81.84, up 30 cents
 RBOB - September \$2.8106, up 4.59 cents
 HO - September \$3.0706, down 43 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.0749	0.0706	0.1661
Oct-23	3.0433	0.0672	0.1577
Nov-23	2.9893	0.0609	0.1445
Dec-23	2.9282	0.0554	0.1277
Jan-24	2.8872	0.0528	0.1176
Feb-24	2.8492	0.0525	0.1103
Mar-24	2.8052	0.0527	0.1017
Apr-24	2.7523	0.0515	0.0908
May-24	2.7148	0.0508	0.0841
Jun-24	2.6863	0.0507	0.0808
Jul-24	2.6741	0.0523	0.0831
Aug-24	2.6662	0.0523	0.0849
Sep-24	2.6586	0.0524	0.0857
Oct-24	2.6469	0.0508	0.0803
Nov-24	2.6294	0.0497	0.0716
Dec-24	2.6099	0.0475	0.0624
Jan-25	2.5933	0.0457	0.0558

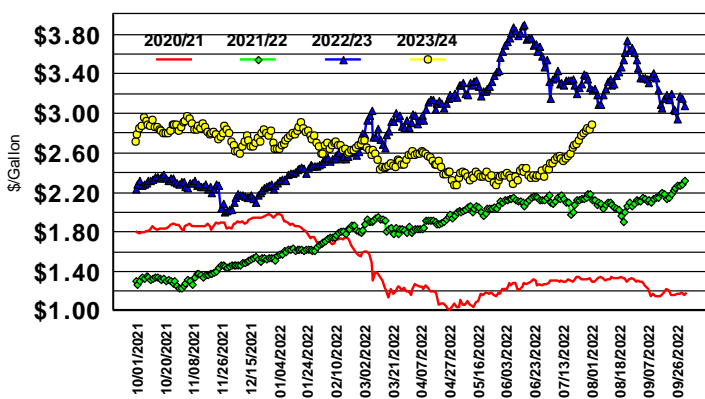
Sprague HeatCurve October 2023-April 2024			\$2.8857
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$4.06	\$81.0800	\$1.9500
Crude - Brent		\$85.1400	\$1.9400
Natural Gas		\$2.5650	\$0.0880
Gasoline		\$2.7647	-\$0.0111

EIA Working Gas Storage Report

	28-Jul-23	21-Jul-23	Change	28-Jul-22
East	680	670	10	547
Midwest	775	757	18	640
Mountain	191	189	2	147
Pacific	230	232	-2	253
South Central	1124	1139	-15	865
Salt	297	310	-13	195
Nonsalt	828	829	-1	670
Total	3001	2987	14	2,451

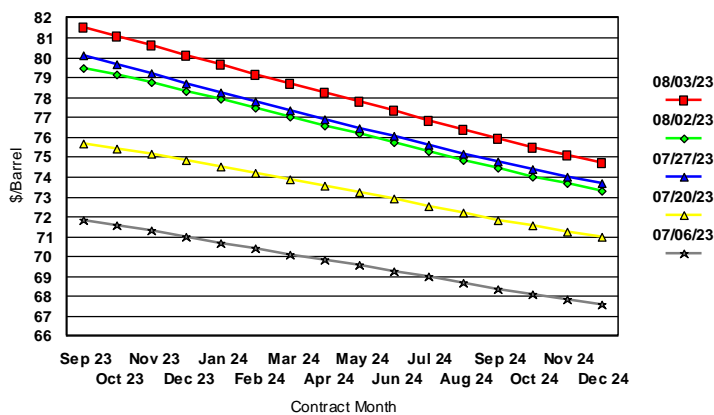
Sprague HeatCurve

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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