

## Market Commentary

**Recap:** The oil market continued to trade within its two-week trading range as the market awaited for news on further debt ceiling negotiations. The market traded towards the upper end of the range on optimism that the U.S. would avoid a debt default and a warning from Saudi Arabia's Energy Minister that raised the prospect of further OPEC+ cuts. White House and congressional Republican negotiations were meeting again on Tuesday to resolve an impasse over raising the \$31.4 trillion debt limit, with the country facing the risk of default in as little as nine days. The market was also supported as Saudi Arabia's Energy Minister warned traders about betting on continued declines in oil prices. The market traded to a low of \$71.71 in overnight trading before it bounced off that level and breached its previous high. The market rallied to a high of \$73.76 by mid-morning. However, the market later erased some of its gains late in the session as it traded back towards its low. The July WTI contract, in its first session as the spot contract, settled up 86 cents at \$72.91. The July Brent contract settled up 85 cents at \$76.84. Meanwhile, the product markets ended the session mixed, with the heating oil market settling down 47 points at \$2.3617 and the RB market settling up 1.33 cents at \$2.6622.

**Market Analysis:** On Wednesday, the crude market will be driven by any news regarding the continuing debt ceiling negotiations and the weekly petroleum stock reports, which is expected to show a build of less than 1 million barrels in crude stocks. Technically, the oil market remains mired in its recent trading range we have previously mentioned from \$69.35 to \$74.00. The crude market is seen finding resistance at its high of \$73.76, \$73.81 followed by further upside at \$75.65, \$75.96, \$76.49 and \$76.74. Meanwhile, support is seen at \$71.71, \$70.67, \$70.05, \$69.39 and \$68.46.

**Fundamental News:** Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, said he would keep short sellers "ouching" and told them to "watch out". OPEC+ members are due to meet on June 4<sup>th</sup> in Vienna to decide on their next course of action. The minister said the alliance would continue to be proactive, preemptive and hedge against what may come in the future, regardless of any criticism. He said "We should be brave enough to attend to the future without continuing the so-called 'kicking the can' policies, those policies that may allow us to fend the situation for this month, next month or the month after but with that we are losing sight of our intentions and our more important objectives."

Iraq's Oil Minister, Hayan Abdel-Ghani, said that Baghdad was waiting on a final answer from Turkey to resume its northern oil exports through the port of Ceyhan. He said Turkey told his government it was evaluating whether the pipeline was damaged as a result of the devastating February earthquake and a technical team had been evaluating the situation. Iraq's Oil Minister also stated that the country was keen to commit to the OPEC+ decisions to ensure oil market stability and secure supplies.

Gulf Keystone Petroleum Ltd said that production from the Shaikan field remains shut in following the shut in of the Iraq-Turkey pipeline on March 25<sup>th</sup>.

Colonial Pipeline Co is allocating space for Cycle 32 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.

**Early Market Call - as of 8:00 AM EDT**

WTI - July \$74.06, up \$1.15  
 RBOB - June \$2.6993, up 3.71 cents  
 HO - June \$2.3873, up 2.56 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-23	2.3617	-0.0047	-0.0022
Jul-23	2.3525	-0.0033	0.0058
Aug-23	2.3547	-0.0015	0.0094
Sep-23	2.3624	0.0002	0.0121
Oct-23	2.368	0.0009	0.0138
Nov-23	2.369	0.0016	0.015
Dec-23	2.366	0.0026	0.0158
Jan-24	2.3659	0.0033	0.0156
Feb-24	2.3617	0.0036	0.0149
Mar-24	2.3511	0.0036	0.0143
Apr-24	2.333	0.0037	0.0134
May-24	2.3231	0.0033	0.0136
Jun-24	2.3155	0.0023	0.0136
Jul-24	2.3114	0.0014	0.012
Aug-24	2.3085	0.0013	0.0111
Sep-24	2.3067	0.0017	0.0109
Oct-24	2.3062	0.0023	0.0122

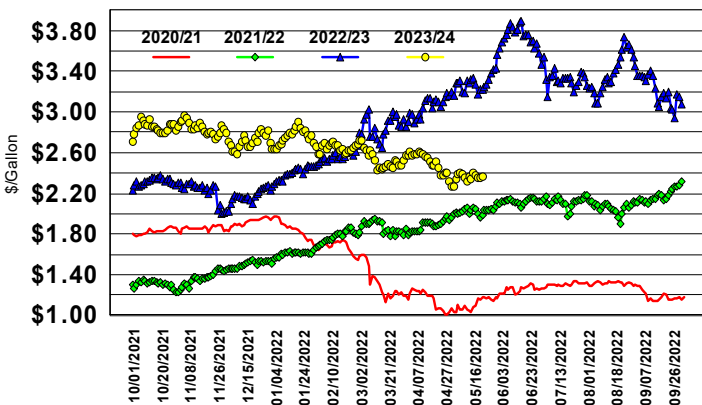
Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	June Brent-	\$72.9100	\$0.8600
Crude - Brent	WTI Spread	\$76.8400	\$0.8500
Natural Gas	\$3.93	\$2.3210	\$0.0790
Gasoline		\$2.6622	\$0.0133

## API Report for the Week Ending May 19 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 6.8 million barrels	Up 800,000 barrels
Gasoline Stocks	Down 6.4 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 1.8 million barrels	Up 400,000 barrels
Refinery Runs		Up 0.6% at 92.6%

## Sprague HeatCurve October-April

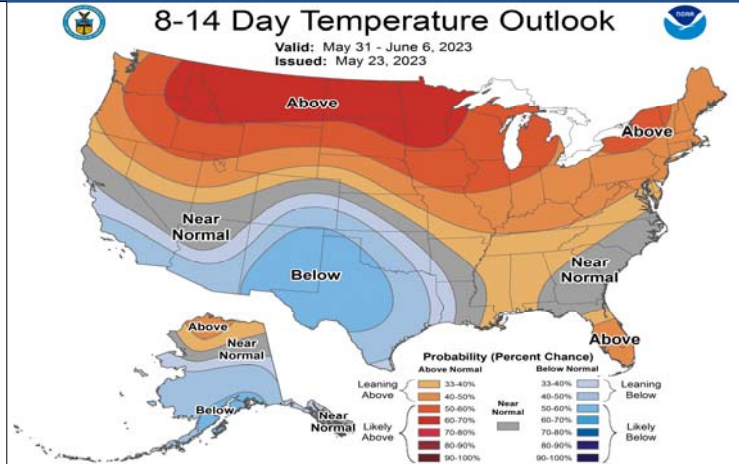
### Sprague HeatCurve October-April



## 8-14 Day Weather Forecast

### 8-14 Day Temperature Outlook

Valid: May 31 - June 6, 2023  
 Issued: May 23, 2023



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