

Market Commentary

Recap: Oil futures continued to perform strongly on Tuesday, remaining close to seven year highs, but ended the session on a mixed note. WTI has moved forward for the fourth session in a row, while Brent settled lower after the International Monetary Fund trimmed global economic growth forecasts. The IMF, on Tuesday said the global economy is losing momentum and it now sees global growth of 5.9% this year, down one-tenth of a percentage point from July. It also sees growth slowing to 4.9% next year. Analysts believe that high energy prices are hampering growth forecasts and in turn, startled the market. November WTI added 12 cents, or 0.2%, to settle at \$80.64 a barrel, while December Brent lost 23 cents, or 0.3%, to settle at \$83.42 a barrel. November RBOB rose 0.2% to \$2.383 a gallon, the highest front-month contract close since Oct. 6, 2014. November heating oil shed 0.2% to \$2.51 a gallon.

Market Outlook: Oil prices have staged a powerful performance in 2021 and are up over 65% since the start of the year. The underlying fundamentals have assisted in the higher move and have pushed this market toward the psychological resistance level of \$80. Despite being in overbought territory, this market is building a healthy floor underneath; making buying dips an attractive opportunity. That being said, we would not discount a bit of a pullback, but believe that this market can still go higher, as it has pulled back to test support set at previous areas of resistance before moving ahead. Waiting on a pullback down at the \$78 and \$77.20 level may not be a bad idea. Should we get below \$75, all bets are off. Resistance rests at \$85.

Fundamental News:

Bloomberg was reporting that a top European official is scheduled to visit Tehran this week to discuss the restarting a new round of nuclear talks between Iran and world powers. Negotiations between the parties had stalled last June.

UBS in a research note to clients said they have raised their price forecasts for Brent to \$80 and WTI to \$77 over the next 12 months, some \$5 higher than its previous forecast. As a result of higher crude demand in the power sector and U.S. jet fuel consumption. They expect elevated prices will result in more pressure on OPEC+ to boost production at a faster pace.

Citigroup said it was raising its price forecast for Brent in the fourth quarter to \$85 and warned prices could touch \$90 at times this winter.

Tanker tracking service Vortexa estimated crude oil on tankers that have been stationary for the past seven days stood at 89.7 million barrels as of October 8th down 9.9% from the previous week.

TotalEnergies' 225,500 bpd Port Arthur, Texas refinery reported flaring.

Elevated flaring began at Valero's Houston, Texas refinery on Monday afternoon. It reported flaring during that time due to maintenance activities. A 96,000 bpd fluid catalytic cracking unit and 22,000 bpd alkylation unit at Valero's Corpus Christi (West) refinery resumed operations on Saturday morning. The units were shut September 23rd following abnormal venting.

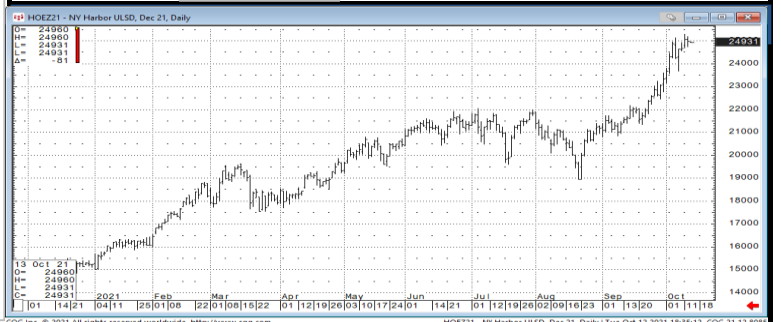
Early Market Call - as of 8:45 AM EDT

WTI - Nov \$79.83, down 81 cents
 RBOB - Nov \$2.3608, down 2.21 cents
 HO - Nov \$2.4902, down 1.92 cents

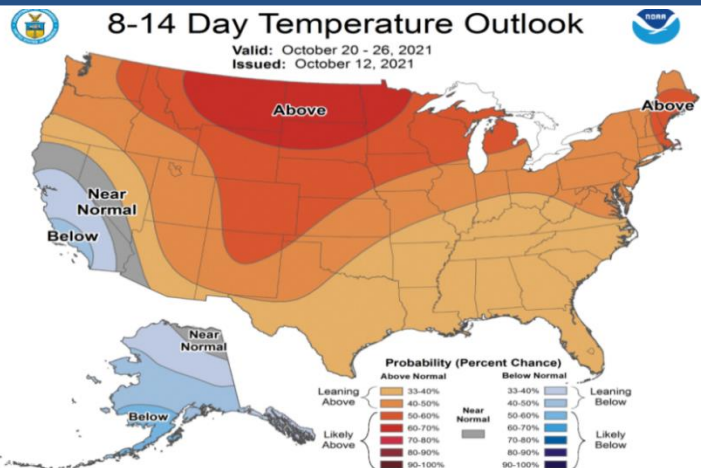
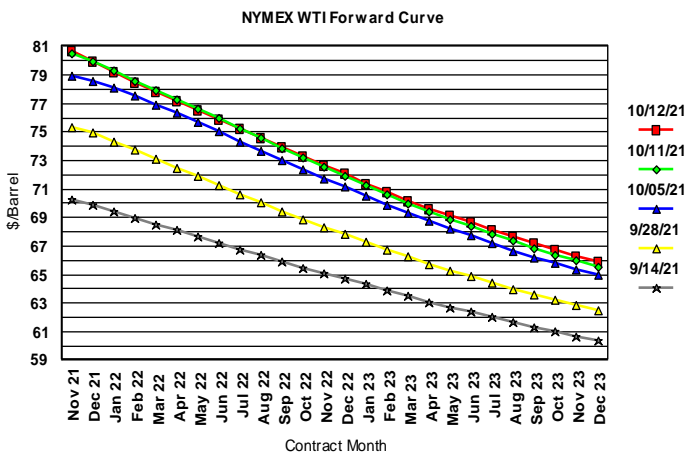
All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-21	\$2.5100	-\$0.0050	\$0.0164
Dec-21	\$2.5012	-\$0.0046	\$0.0149
Jan-22	\$2.4881	-\$0.0041	\$0.0130
Feb-22	\$2.4692	-\$0.0037	\$0.0127
Mar-22	\$2.4435	-\$0.0038	\$0.0118
Apr-22	\$2.4134	-\$0.0043	\$0.0097
May-22	\$2.3921	-\$0.0047	\$0.0086
Jun-22	\$2.3766	-\$0.0046	\$0.0086
Jul-22	\$2.3674	-\$0.0039	\$0.0086
Aug-22	\$2.3595	-\$0.0032	\$0.0079
Sep-22	\$2.3537	-\$0.0024	\$0.0021
Oct-22	\$2.3489	-\$0.0016	\$0.0076
Nov-22	\$2.3433	-\$0.0008	\$0.0078
Dec-22	\$2.3369	\$0.0004	\$0.0080
Jan-23	\$2.3301	\$0.0012	\$0.0077
Feb-23	\$2.3164	\$0.0014	\$0.0065
Mar-23	\$2.2974	\$0.0013	\$0.0048

Settlements		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$3.50	\$79.9200	\$0.0000
Crude - Brent		\$83.4200	-\$0.2300
Natural Gas		\$5.5050	\$0.1600
Gasoline		\$2.3829	\$0.0050



WTI Forward Curve



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