

Market Commentary

Recap: Oil futures continued to slide on Friday, in what was a choppy trading session as traders booked profits and squared positions ahead of the weekend. Strength in the U.S. dollar, and the threat of a possible release of crude from the Strategic Petroleum Reserves were among contributing factors to the decline in prices for the week. It appears that the Biden administration is not quite sure what to do in regard to releasing from the SPR, as this will most likely increase demand while artificially lowering prices as the appetite for crude oil continues to mount amid an undersupplied market. December WTI fell 80 cents, or 1%, to end the week at \$80.79, down 0.6%. This marks the third-weekly decline in a row. January Brent lost 70 cents, or 0.8%, to settle at \$82.17, down 0.7% on the week. December RBOB fell 0.3% to \$2.311 a gallon, down 0.4% for the week, while December heating oil shed 1.8%, to settle at \$2.404 a gallon, losing 2.1% on the week.

Technical Analysis: With moving oscillators pointing to the downside and December WTI closing below the 10-day moving average for the second straight session, we would look to begin the week on a lower note. The \$80 level remains a key support area, but if we get a strong enough push below it, we could see this market dipping down toward the 50-day moving average. A break below this technical indicator opens up for a run at \$75. To the upside, \$85 remains a key psychological area of resistance. Upward pressure above this level could see WTI work toward \$90.

Fundamental News: U.S. Press Secretary, Jen Psaki, said the U.S. has engaged OPEC on increasing its oil supply. She said the Biden administration is looking at options on curbing the increase in gasoline prices.

U.S. energy firms added oil and natural gas rigs for a third consecutive week. Baker Hughes reported that the oil and gas rig count, an early indicator of future output, increased by six to 556 in the week ending November 12th, its highest level since April 2020. The number of U.S. oil rigs increased by four to 454, the highest level since April 2020, while the number gas rigs increased by two to 102, the highest level since September 2021.

Output from Equinor's 535,000 bpd Johan Sverdrup oilfield has been fully restored. The North Sea field suffered a power outage on Thursday, triggering a shutdown. The power supply to the Sverdrup oil platforms, which comes via a subsea cable from land, was restored on Thursday evening. Output reached full capacity at around midnight, some 12 hours after the outage began.

IIR Energy said U.S. oil refiners are expected to shut in about 1.1 million bpd of capacity offline in the week ending November 12th, increasing available refining capacity by 459,000 bpd. Offline capacity is expected to decline to 487,000 bpd in the week ending November 19th, dropping to 325,000 bpd in the week ending November 26th.

Societe Generale increased its forecast for Brent crude. It sees Brent crude prices averaging \$72/barrel in 2021 and \$80/barrel in the first quarter of 2022. It forecast Brent prices averaging \$77.50/barrel in 2022, up \$10/barrel.

Early Market Call - as of 9:20 AM EDT
WTI - Dec \$79.75, down \$1.04
RBOB - Dec \$2.2950, down 1.62 cents
HO - Dec \$2.3741, down 2.95 cents

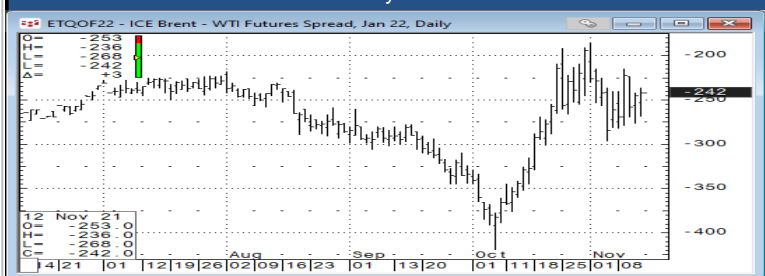
All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-21	\$2.4037	-\$0.0434	-\$0.0519
Jan-22	\$2.3946	-\$0.0403	-\$0.0475
Feb-22	\$2.3766	-\$0.0368	-\$0.0443
Mar-22	\$2.3525	-\$0.0340	-\$0.0416
Apr-22	\$2.3237	-\$0.0304	-\$0.0385
May-22	\$2.3025	-\$0.0284	-\$0.0368
Jun-22	\$2.2882	-\$0.0273	-\$0.0370
Jul-22	\$2.2810	-\$0.0267	-\$0.0368
Aug-22	\$2.2755	-\$0.0261	-\$0.0364
Sep-22	\$2.2724	-\$0.0250	-\$0.0395
Oct-22	\$2.2710	-\$0.0244	-\$0.0345
Nov-22	\$2.2699	-\$0.0235	-\$0.0331
Dec-22	\$2.2677	-\$0.0225	-\$0.0315
Jan-23	\$2.2640	-\$0.0217	-\$0.0307
Feb-23	\$2.2529	-\$0.0210	-\$0.0299
Mar-23	\$2.2364	-\$0.0205	-\$0.0293
Apr-23	\$2.2163	-\$0.0198	-\$0.0280

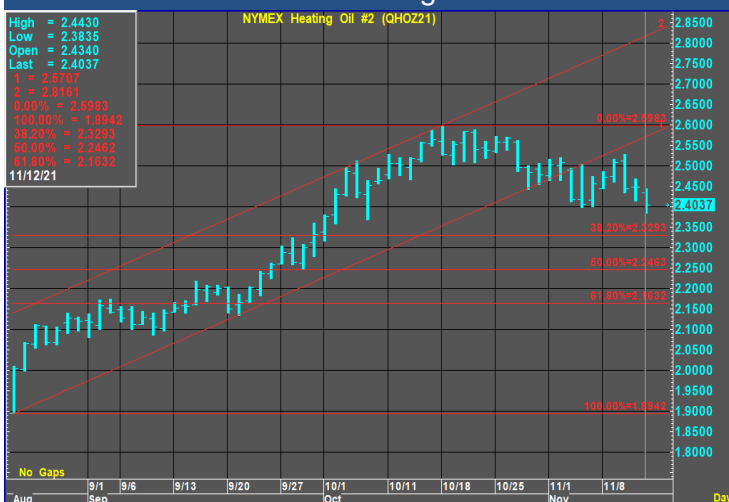
Settlements

		Close	Change
Crude - WTI	Jan Brent-	\$79.6900	-\$0.7300
Crude - Brent	WTI Spread	\$82.1700	-\$0.7000
Natural Gas	\$2.48	\$4.7910	-\$0.3580
Gasoline		\$2.3114	-\$0.0064

ICE January Brent-WTI



December Heating Oil



NYMEX WTI



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