

Market Commentary

Recap: The oil market rallied sharply higher on Wednesday, posting its largest one day gain since early May as it continued to trade in its upward trend channel. The market continued to trade higher in overnight trading after it briefly breached the lower boundary of its channel during Tuesday's session before it rebounded. The market was supported by speculation that the market is looking to test the \$100 level. The crude market also continued to extend its gains ahead of the release of the EIA's weekly petroleum stock report, which showed a larger than expected draw in crude stocks of over 2 million barrels to 416.3 million barrels, the lowest level since December 2, 2022. The crude market rallied over \$3.60 as it traded to \$94.04 by mid-day following the supportive report and held some resistance at that level before further buying ahead of the close, pushed the market to a high of \$94.17. The November WTI contract settled at \$93.68 up \$3.29 or 3.64%, the largest one day gain since May 5th. The November Brent contract settled up \$2.59 at \$96.55. The product markets also ended the session sharply higher, with the heating oil market settling up 9.09 cents at \$3.3147 and the RB market settling up 3.64 cents at \$2.5986.

Technical Analysis: The crude market is seen trading sideways as it retraces some of its sharp gains before it continues on its upward trend. Its daily stochastics have crossed back to the upside. The market is seen finding support at its low of \$90.40, \$89.82, \$88.19, \$88.04 and \$87.73. Meanwhile, resistance is seen at its high of \$94.17 and \$95.75.

Fundamental News: The EIA reported that U.S. crude oil stocks fell more than expected in the week ending September 22nd, with inventories at Cushing, Oklahoma falling to the lowest level in over a year. U.S. crude stocks fell by 2.169 million barrels on the week to 416.3 million barrels, with stocks in Cushing, Oklahoma falling by 943,000 barrels on the week to 22 million barrels.

LSEG is estimating MWE gasoline exports to the United States this month have so far reached 736,000 metric tons versus 828,000 metric tons shipped in August.

Russia's President Vladimir Putin ordered his government to make sure retail fuel prices stabilize, seeking additional measures to balance the domestic market following the introduction of a ban on gasoline and diesel exports. He also told the cabinet it needed to act swiftly and that reviewing oil industry taxes was an option. Earlier, Russia's Deputy Prime Minister, Alexander Novak, told a government meeting chaired by President Vladimir Putin that some new measures, in addition to the fuel export ban, have been under consideration. He said there are proposals to restrict grey fuel export and increase the fuel export duty for resellers. He said there are proposals to restrict grey fuel exports and to raise fuel export duty to 50,000 roubles or \$518.24/ton from 20,000 roubles for resellers. Meanwhile, Russia's Finance Minister, Anton Siluanov, said Russia's Finance Ministry is ready to provide additional funding to regions to tackle high fuel prices.

The Federal Reserve Bank of Dallas said oil and gas activity in three key energy producing states increased modestly in the third quarter but cost increases continue. It said exploration is driving the increase, with the survey's business activity index, reaching 10.9 in third quarter from zero in the second quarter.

The Alaskan Department of Taxation reported Alaskan North Slope production in August averaged 423,290 b/d, down from 430,743 b/d produced in July and some 74,000 b/d below the January average production of 499,016. Seasonal maintenance is the major reason for normal summer production declines.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.8 million bpd of capacity in the week ending September 29th, decreasing available refining capacity by 375,000 bpd. Offline capacity is expected to increase to 1.9 million bpd in the week ending October 6th.

Early Market Call - as of 8:25 AM EDT

WTI - October \$93.05, down 63 cents

RBOB - October \$2.5755, down 2.31 cents

HO - October \$3.3212, up 65 points

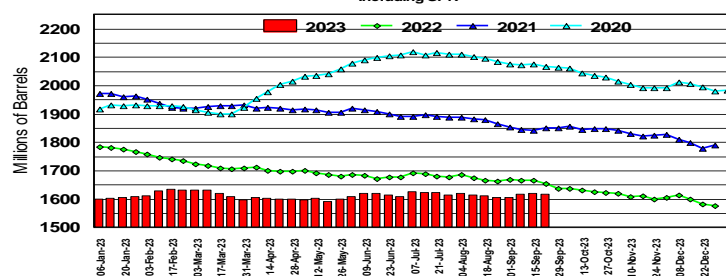
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.3147	0.0909	-0.0121
Oct-23	3.2621	0.0908	0.0165
Nov-23	3.1483	0.0728	0.0300
Dec-23	3.0803	0.0527	0.0256
Jan-24	3.0295	0.0435	0.0179
Feb-24	2.9650	0.0368	0.0113
Mar-24	2.8886	0.0309	0.0040
Apr-24	2.8402	0.0258	-0.0027
May-24	2.8059	0.0217	-0.0073
Jun-24	2.7858	0.0185	-0.0104
Jul-24	2.7729	0.0156	-0.0125
Aug-24	2.7670	0.0135	-0.0125
Sep-24	2.7601	0.0118	-0.0115
Oct-24	2.7486	0.0104	-0.0105
Nov-24	2.7327	0.0098	-0.0098
Dec-24	2.7154	0.0095	-0.0092
Jan-25	2.6937	0.0097	-0.0084

Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$93.6800	\$3.2900
Crude - Brent	\$96.5500	\$2.5900
Natural Gas	\$2.7640	\$0.1080
Gasoline	\$2.5986	\$0.0364

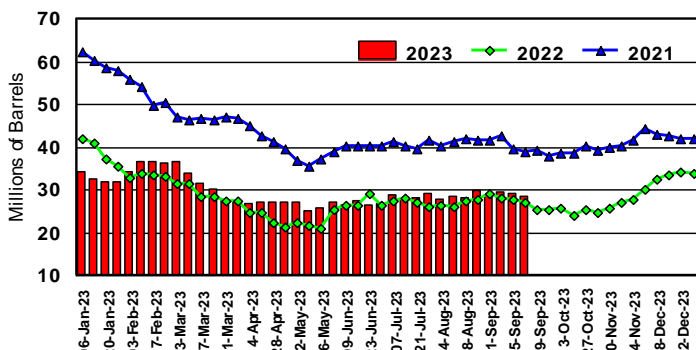
Total U.S. Oil Stocks



Weekly EIA Petroleum Status Report for the Week Ending September 22, 2023

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.169 million barrels

Cushing, OK Crude Stocks Down 943,000 barrels

Gasoline Stocks Up 1.027 million barrels

Distillate Stocks up 398,000 barrels

Refinery % Operated 89.5%, down 2.4%

PADD #1

	Week Ending Sep 22, 2023	Week Ending Sep 15, 2023	Week Ending Sep 23, 2022
Distillate Stocks (in million bbl)			
New England	3.2	3.6	3.5
Central Atlantic	15.4	15.7	12.1
Total PADD #1	28.4	29.2	27.2
Distillate Imports (thousands b/d)	77	50	76