

Market Commentary

Recap: WTI finished the session 5.2% higher at a two-week-high \$114.93 a barrel, and have now gained about \$20, or 21%, over the past five trading sessions. Prices began to surge higher this morning after a weekly EIA report that showed across-the-board declines in US inventories of crude-oil, gasoline and distillates. What's more, the US is now accusing Russia of war crimes in Ukraine, which is adding a risk premium to the price of each barrel of oil and driving up fears of global shortages. Adding to the mix was weather related disruptions to Russian and Kazakh crude oil exports via the Caspian Pipeline Consortium pipeline added to worries over tight global supplies. The CPC pipeline has been in the spotlight as the market is on edge over the ripple effect of heavy sanctions on Russia, the world's second-largest crude exporter, after its invasion of Ukraine, which Moscow calls a "special military operation." The CPC pipeline carries around 1.2 million barrels per day of Kazakhstan's main crude grade, which accounts for 1.2% of global demand. May WTI settled at \$114.93 a barrel, up \$5.66, or 5.18%, while May Brent added \$6.12, or 5.3%, to settle at \$121.60 a barrel. April RBOB added 0.1159 cents to close at a \$3.4387 a gallon, while April heating oil settled at \$4.1148 a gallon, up 0.2318 cents.

Technical Analysis: May WTI dipped on Wednesday but found strong support down around the 10-day moving average. Prices were trading at weekly highs, underpinned by supply delivery concerns in Russia and a drop in U.S. inventories. The main trend of this market is to the upside and with a settlement close to the \$115 level, we would look for traders to take this market higher. A settlement above this level should trigger and acceleration of the up move, with the potential of this market reaching the \$125 level. To the downside, support is seen at \$107.95 and below that at \$104.50.

Fundamental News: The EIA reported that U.S. distillate stockpiles fell to 112.14 million barrels in the week ending March 18th, the lowest level since April 2014. On the U.S. East Coast, distillate inventories fell to 28.5 million barrels, their lowest last week since March 2015. As energy companies around the world scramble for crude supplies to replace Russian oil since the invasion of Ukraine on Feb. 24, the EIA said U.S. crude exports increased to 3.8 million bpd last week, the highest since July 2021. U.S. weekly field crude production held at 11.6 million bpd last week for a seventh week in a row. In the U.S. Gulf Coast region, refinery percent utilization rose to 94.3% last week, its highest since January 2020.

Iran's Foreign Minister, Hossein Amirabdollahian said that Iran and world powers are closer than ever to reviving the 2015 nuclear deal.

Crude oil exports from Kazakhstan's Caspian Pipeline Consortium terminal on Russia's Black Sea coast stopped fully on Wednesday after damage caused by a major storm and continued bad weather. Two of three loading facilities at the Black Sea port of Novorossiysk were damaged by the storm and would take at least one and a half months to repair. The third facility was still operational but bad weather on Wednesday stopped these flows as well. Kazakhstan's Energy Ministry said it was working on alternative supply routes for oil export. The CPC pipeline carries around 1.2 million bpd of Kazakhstan's main crude grade, light sour CPC Blend. Russia's Deputy Prime Minister, Alexander Novak, said that oil supplies by the CPC may be completely halted for up to 2 months.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.017 million bpd of capacity in the week ending March 25th, increasing available refining capacity by 2,000 bpd. Offline capacity is expected to fall to 934,000 bpd in the week ending April 1st.

Early Market Call - as of 8:50 AM EDT

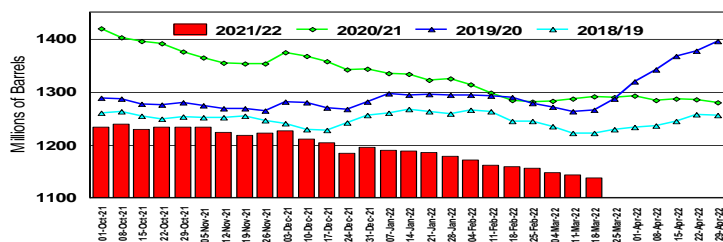
WTI - Apr \$114.56, down 38 cents
 RBOB - Apr \$3.4312, down 67 points
 HO - Apr \$4.1542, up 3.98 cents

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	4.1148	0.2506	1.0147
May-22	3.8173	0.2215	0.8463
Jun-22	3.5722	0.1926	0.6850
Jul-22	3.401	0.1638	0.5722
Aug-22	3.2865	0.1399	0.5060
Sep-22	3.2112	0.1251	0.4307
Oct-22	3.1507	0.1115	0.4316
Nov-22	3.0937	0.0986	0.4011
Dec-22	3.0443	0.0897	0.3783
Jan-23	3.0022	0.0831	0.3579
Feb-23	2.9666	0.0802	0.3432
Mar-23	2.928	0.0769	0.3287
Apr-23	2.8882	0.0735	0.3173
May-23	2.8524	0.0695	0.3033
Jun-23	2.8239	0.0668	0.2889
Jul-23	2.8044	0.064	0.2778
Aug-23	2.7864	0.06	0.2678

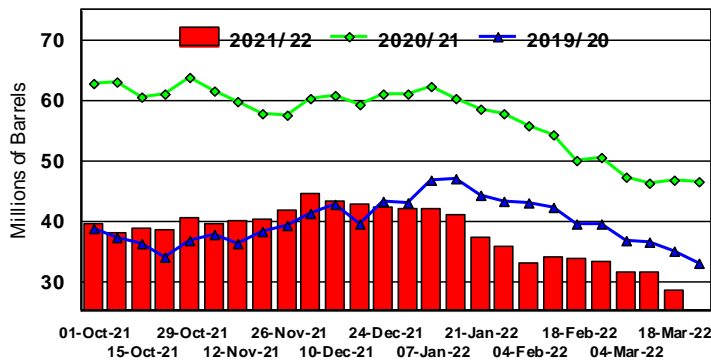
Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	May Brent- WTI Spread \$6.67	\$114.9300	\$5.6600
Crude - Brent		\$121.6000	\$6.1200
Natural Gas		\$5.2320	\$0.0450
Gasoline		\$3.4387	\$0.1080

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending March 18, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.508 million barrels
 Cushing, OK Crude Stocks Up 1.235 million barrels
Gasoline Stocks Down 2.948 million barrels
Distillate Stocks Down 2.071 million barrels
Refinery % Operated 91.1%, Up 0.7%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 18, 2022	Week Ending Mar 11, 2022	Week Ending Mar 19, 2021
New England	5.6	5.7	9.1
Central Atlantic	12.3	14.9	25.2
Total PADD #1	28.5	31.5	46.8
Distillate Imports (thousands b/d)	117	202	615

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