

Market Commentary

Recap: Oil futures fell for the third straight day on Wednesday after a weekly EIA report showed a large increase in commercial crude oil inventories that was mostly due to more government sales of crude oil from the nation's strategic reserves to the private sector. A week-on-week uptick in US oil production to 12.1M barrels a day also helped to boost supplies. On the fuels side, inventories of both gasoline and distillates declined from the previous week, and implied US gasoline demand rose to 9M barrels a day. A drop in US stock markets is adding to the selling pressure on crude. Ongoing concerns over the impact of China's zero COVID policy on that country's demand for oil also added pressure on oil prices. WTI for December delivery lost \$3.08 per barrel, or 3.46% to \$85.83. Brent Crude for January delivery lost \$2.71 per barrel, or 2.84% to \$92.65. RBOB Gasoline for December delivery lost 9.21 cents per gallon, or 3.49% to \$2.5446, while ULSD for December delivery lost 11.44 cents per gallon, or 3.03% to \$3.6563.

Technical Analysis: December WTI blew through its 10-day moving average and is now hanging above its 50-day moving average. This technical indicator tends to garner a lot of attention and therefore we should see quite a bit of volatility around it. Just below, sits \$85 a key psychological level of support. Should we get a push below \$85.00; the minor trend of the market will shift to the downside. Support is seen at \$83.17 and \$80.80 - \$80. On the upside, resistance is seen at \$86.95, \$88.79 and \$90.

Fundamental News: The head of the International Energy Agency, Fatih Birol, said oil prices "flirting with \$100" were a real risk for the global economy, adding that he was surprised by the OPEC+ decision to cut output at its October 5th meeting. He said "Those countries (oil producers) in the past took decisions which did comfort the oil markets...this decision may put further upward pressure on inflation and weaken the global economy." He said "The recent decision of OPEC+ to cut the production by 2 million bpd was definitely not helpful." He added that the move is fueling inflation, especially in developing countries, and may require a "rethink".

Iraq's Oil Ministry said it respects the OPEC+ agreement to achieve global market stability, and wants to raise the "value or revenue" of a barrel of oil in a way that works for both producers and consumers.

European diesel imports are on track to reach 4.9 million tons in November, down from about 6.4 million tons in October. Refinitiv reported that about 40% of the November imports are expected to come from Russia, relatively unchanged from October's level.

IIR Energy reported that U.S. oil refiners are expected to shut in about 518,000 bpd of capacity in the week ending November 11th, increasing available refining capacity by 253,000 bpd. Offline capacity is expected to decrease to 347,000 bpd in the week ending November 18th.

Chevron said an isolated fire inside its 269,000 bpd El Segundo refinery in California was extinguished on Tuesday and did not occur at any of the facility's major processing units. It said the fire did not impact the refinery's ability to supply petroleum products to its customers in the region.

Flint Hills Resources LLC reported emissions from crude unit fugitives F-40 at its Corpus Christi, Texas West refinery. It reported that it discovered a pinhole leak from a 16-inch diesel line at the crude unit on November 6th.

Early Market Call - as of 8:15 AM EDT

WTI - December \$85.68, down 15 cents

RBOB - December \$2.5676, up 2.3 cents

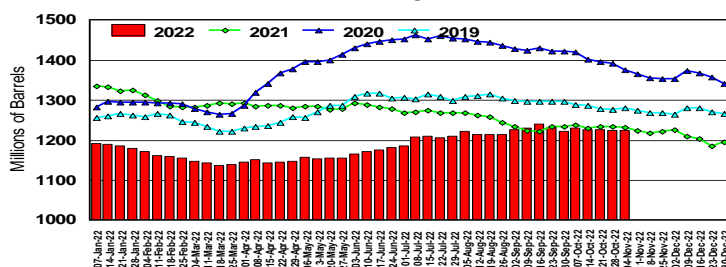
HO - December \$3.6220, down 3.43 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.6563	-0.1144	-0.0211
Jan-23	3.4913	-0.1027	-0.0483
Feb-23	3.3783	-0.0941	-0.0612
Mar-23	3.2771	-0.0833	-0.0608
Apr-23	3.1728	-0.074	-0.0608
May-23	3.087	-0.0695	-0.0643
Jun-23	3.0179	-0.0688	-0.0712
Jul-23	2.9772	-0.0683	-0.0761
Aug-23	2.9466	-0.0676	-0.079
Sep-23	2.9217	-0.0669	-0.0799
Oct-23	2.9001	-0.0663	-0.0795
Nov-23	2.8791	-0.0659	-0.0793
Dec-23	2.8581	-0.0659	-0.0794
Jan-24	2.8363	-0.0658	-0.0805
Feb-24	2.8139	-0.0658	-0.0813
Mar-24	2.7818	-0.0659	-0.0814
Apr-24	2.7411	-0.0659	-0.0813

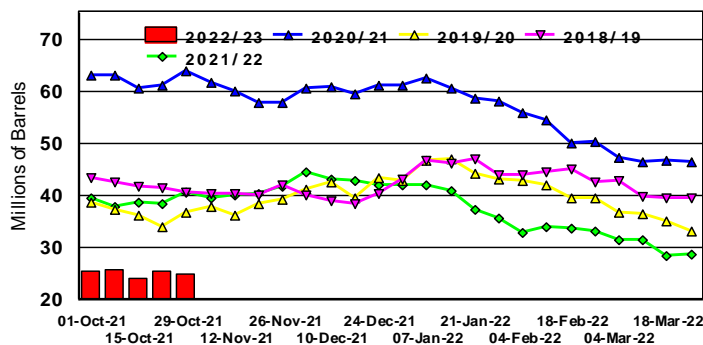
Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$7.65	\$85.0000	-\$3.0000
Crude - Brent		\$92.6500	-\$2.7100
Natural Gas		\$5.8650	-\$0.2730
Gasoline		\$2.5446	-\$0.0921

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending November 4, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.9 million barrels
Cushing, OK Crude Stocks Down 923,000 barrels
Gasoline Stocks Down 899,000 barrels
Distillate Stocks Down 521,000 barrels
Refinery % Operated 92.1%, up 1.5%

PADD #1

	Week Ending Nov 4, 2022	Week Ending Oct 28, 2022	Week Ending Nov 5, 2021
Distillate Stocks (in million bbl)			
New England	3.5	3.6	7.5
Central Atlantic	11.7	10.8	19.2
Total PADD #1	24.9	25.4	39.4
Distillate Imports (thousands b/d)			
	291	106	262

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