

Market Commentary

Recap: Oil prices fell more than 8% on Friday, to their lowest level in 3 years, on reports that Russia refused to support OPEC's plan to further reduce output. Russia has so far refused to support the move, arguing it was too early to predict the impact of the coronavirus outbreak on global energy demand. Analysts said Russia may be betting that the lower prices will cause U.S. shale producers to slow output, but without OPEC's help to steady the market, U.S. benchmark prices could fall toward \$30 a barrel as COVID-19 feeds a decline in demand for oil. Friday's activity pushed both WTI and Brent into a nosedive, with April WTI slipping below \$42.00 a barrel and May Brent falling toward the \$45.00 level. Losses were only slightly pared, with April WTI settling at \$41.28 a barrel, down \$4.62, or 10.07%, the lowest settlement since August of 2016. May Brent finished down \$4.72, or 9.4%, to end at \$45.7 a barrel, marking its lowest settlement since June 22, 2017. April RBOB fell 13.28 cents, or 8.7%, to end at \$1.3890 a gallon, and notched a weekly slide of 6.3%, while April heating oil dropped 10.33 cents, or 6.9%, to finish at \$1.3852 a gallon, booking a weekly decline of 6.2%.

Technical Analysis: After trying to rallying during the week, WTI slipped to its lowest level in three years and settled below a long standing trend line on a weekly spot continuation chart. This market continues to build resistance at the psychological level of \$50.00 since breaking below it. With OPEC+ unable to stem the bloodletting, we could easily see this market reach \$40.00. A break below \$40.00 would push this market into further collapse. Support is set at \$40.57 and below that at \$39.19. To the upside, resistance is set at \$42.38 and above that at \$43.30.

Fundamental News: Sources stated that OPEC's plan for increased and prolonged oil cuts were derailed on Friday as Russia refused to support the move arguing that it was too early to predict the impact of a coronavirus outbreak on the global energy demand. Russia rejected a deeper cut proposal during informal consultations on Friday. Sources stated that Saudi Arabia had failed to find a compromise with Russia during talks on Friday. As a result, the existing deal for output cuts will expire at the end of March, so OPEC members and non-OPEC producers can then in theory produce at will in an already oversupplied market. An OPEC+ statement following the meeting said oil producers will continue consultations to stabilize the oil market. A meeting of the OPEC+ Joint Technical Committee is scheduled to be held on March 18th. On Thursday, OPEC ministers said they supported an additional 1.5 million bpd of oil cuts until the end of 2020, a larger and more extended move than expected, but they made the proposal conditional on Russia and other non-OPEC producers supporting the cuts.

Russia's Energy Minister, Alexander Novak, said there is no more oil output deal between Russia, its allies and members of OPEC oil-producing countries. He said the OPEC+ group of nations will continue to monitor the market situation. He said there are many speculative factors for falling oil prices.

Iran's Energy Minister, Bijan Zanganeh, said some members of OPEC were insisting the non-OPEC group join in production at the meeting in Vienna but they did not accept.

Baker Hughes reported that the US energy firms added oil rigs for the fourth time in five weeks. It reported that total number of rigs searching for oil increased by 4 to 682 in the week ending March 6th.

IIR Energy reported that US oil refiners are expected to shut in 1.2 million bpd of capacity in the week ending March 6th, cutting available refining capacity by 45,000 bpd from the previous week. Offline capacity is expected to increase to 1.4 million bpd in the week ending March 13th and fall to 954,000 bpd in the week ending March 20th.

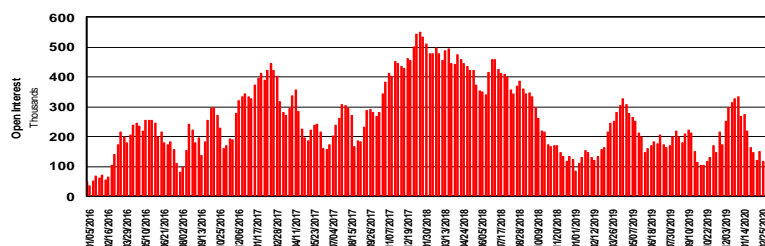
Early Market Call - as of 8:30 AM EDT
WTI - Apr \$31.45, down \$9.85
RBOB - Apr \$1.1410, down 24.70 cents
HO - Apr \$1.1567, down 22.85 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-20	1.3852	-0.1033	0.0921
May-20	1.3821	-0.1025	0.0904
Jun-20	1.3868	-0.1013	0.0862
Jul-20	1.3976	-0.0993	0.0804
Aug-20	1.4120	-0.0971	0.0764
Sep-20	1.4285	-0.0944	0.0729
Oct-20	1.4450	-0.0912	0.0686
Nov-20	1.4602	-0.0878	0.0639
Dec-20	1.4738	-0.0838	0.0591
Jan-21	1.4870	-0.0804	0.0549
Feb-21	1.4974	-0.0763	0.0504
Mar-21	1.5051	-0.0718	0.0449
Apr-21	1.5064	-0.0685	0.0411
May-21	1.5128	-0.0650	0.0380
Jun-21	1.5202	-0.0618	0.0354
Jul-21	1.5325	-0.0587	0.0320
Aug-21	1.5450	-0.0555	0.0283

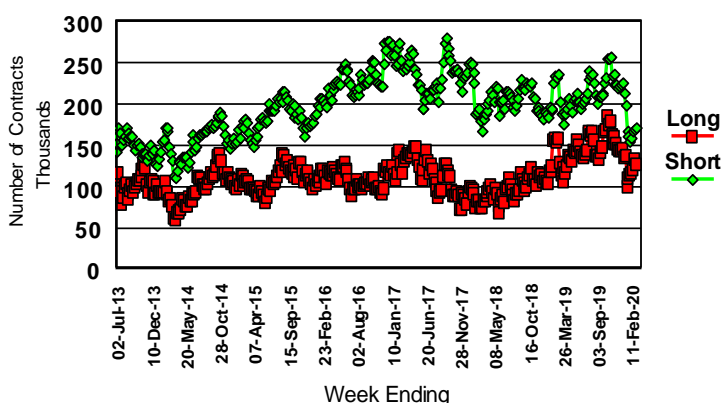
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent- WTI Spread \$4.19	\$41.5100	-\$4.5500
Crude - Brent		\$45.7000	-\$4.7200
Natural Gas		\$1.7080	-\$0.0640
Gasoline		\$1.3890	-\$0.1328

WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions

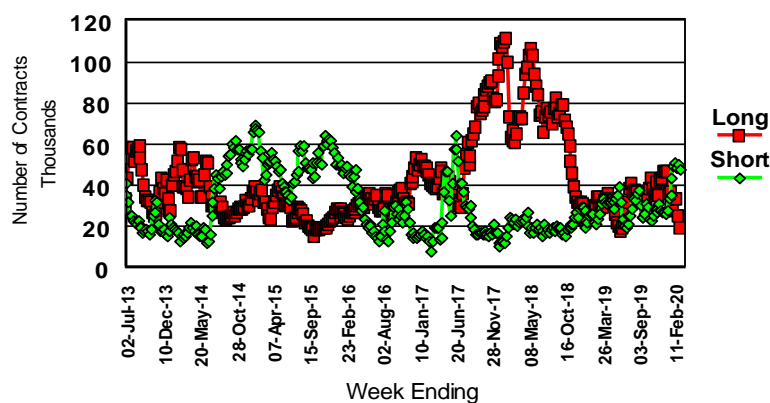


Commitment of Traders Report for the Week Ending March 3, 2020

Producer/Merchant Heat Positons CFTC Commitment of Traders Report



Managed Money Heat Positons CFTC Commitment of Traders Report



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