

Market Commentary

Recap: Weakening demand, exacerbated by Hurricane Ian and signs of a slowing economy, pushed WTI below \$80 a barrel on Friday. August personal consumption expenditures price index, including gas and energy increased 0.3% in August, compared with a decline of 0.1% in July. It rose even with a sharp decline in gas prices that took the cost at the pump well below the nominal record above \$5 a gallon. This bolstered concerns about resilient inflation even as the economy slows down. A possible production cut by OPEC offered minimal support. But weak crude prices could be a sign that traders don't believe OPEC+ will deliver a large enough cut to make a significant difference. WTI for November delivery settled down \$1.74 per barrel, or 2.14% to end the session at \$79.49, losing \$26.27 per barrel, or 24.84% to \$79.49 this quarter but up 75.00 cents or 0.95% on the week. November Brent ended Friday's session down \$3.00 a barrel, or 0.60% at \$87.96 but closed up \$1.81, or 2.10% on the week and down \$26.85 per barrel, or 23.39% this quarter. ULSD for October delivery lost 52.92 cents per gallon or 13.58% to \$3.3690 this quarter and on the week it is up 13.19 cents or 4.07%. For Friday's session it is down 4.56 cents or 1.34%. RBOB for October delivery lost \$1.177 per gallon, or 32.25% to \$2.4726 this quarter but finished the week up 8.96 cents or 3.76%. For Friday's session it is down 3.50 cents or 1.40%.

Technical Analysis: WTI has succumbed to wild price swings over the past few weeks, with the week ending September 30 the first weekly gain in five weeks. The market has seen support from the prospect of OPEC and its allies considering cutting production quotas by between 500,000 and 1 million barrels per day at their October 5 meeting. However, the demand side of the market has become a cause of concern due to a global economic slowdown. Adding to the mix has been the rise in the U.S. dollar, which hit a 20-year high this week before trimming some of its gains. November WTI spent a good part of the week bouncing around the \$80, a key psychological number and a level at which the U.S. government is said to be willing to buy crude oil to refill the vote buying operation coming out of the Strategic Petroleum Reserve. We are still looking to sell on signs of exhaustion rather than buying on dips. Support below \$80 seen at \$76.25 and \$75. On the upside, resistance is seen at \$85, with a break above this level shifting the minor trend to the upside, with the potential of reaching \$90.

Fundamental News: A spokesperson for the U.S. Department of Energy said U.S. fuel supplies are "unacceptably" at or near 5-year lows amid hurricane threats and added that the oil industry must do more to address prices and demand. The spokesperson was commenting on a report that the chief executive of Exxon Mobil had warned the Biden Administration against limiting U.S. fuel exports.

The U.S. EIA reported that U.S. crude oil production increased by 12,000 bpd in July to 11.8 million bpd, the highest level since April 2020, from 11.788 million bpd in June. It also reported that U.S. crude oil exports in July increased to 3.796 million bpd from 3.572 million bpd in June, while total refined product exports increased to 3.202 million bpd in July, up from 3.174 million bpd in June. The EIA reported that total oil demand in July increased by 2.3% or 450,000 bpd on the year to 20.344 million bpd. U.S. gasoline demand fell by 6.1% or 564,000 bpd on the year to 8.749 million bpd compared with a fall of 2.5% in June. U.S. distillate demand in July increased by 1.7% or 61,000 bpd on the year to 3.719 million bpd following a 1.2% increase in June.

Baker Hughes reported that the oil and gas rig count increased by one to 765 in the week ending September 30th. U.S. oil rigs increased by two to 604 this week, while gas rigs fell by one to 159.

OPEC+ sources stated that OPEC+ oil producers considering lowering their output target at a meeting on October 5th are focused on a cut of between 500,000 and 1 million bpd to support the market.

Early Market Call - as of 8:25 AM EDT

WTI - November \$83.47, up \$3.98

RBOB - October \$2.4664, up 9.85 cents

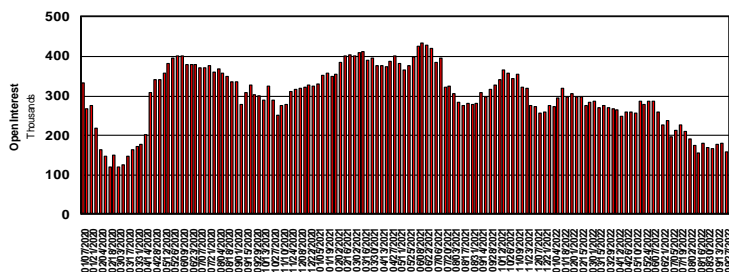
HO - October \$3.3431, up 12.39 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-22	3.369	-0.0456	0.1319
Nov-22	3.2216	-0.0736	0.0641
Dec-22	3.127	-0.0802	0.0321
Jan-23	3.0735	-0.0771	0.0237
Feb-23	3.0167	-0.0734	0.0144
Mar-23	2.9463	-0.0694	0.0031
Apr-23	2.867	-0.066	-0.008
May-23	2.8075	-0.0632	-0.0203
Jun-23	2.7657	-0.061	-0.03
Jul-23	2.7466	-0.0579	-0.0365
Aug-23	2.7317	-0.0551	-0.0398
Sep-23	2.7185	-0.0532	-0.0387
Oct-23	2.7061	-0.0524	-0.0352
Nov-23	2.6926	-0.051	-0.0317
Dec-23	2.6809	-0.0494	-0.0293
Jan-24	2.6656	-0.0481	-0.0264
Feb-24	2.6523	-0.0482	-0.0264

Sprague HeatCurve October 2022-April 2023			\$3.0726
		Close	Change
Crude - WTI	Nov Brent-	\$79.4900	-\$1.7400
Crude - Brent	WTI Spread	\$87.9600	-\$0.5300
Natural Gas	\$8.47	\$6.7660	-\$0.1080
Gasoline		\$2.4726	-\$0.0350

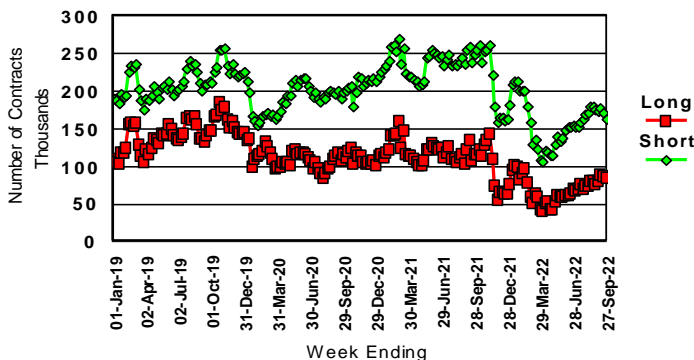
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 27, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

