

## Market Commentary

**Recap:** Oil futures fell over 3% in overnight trading on Friday, erasing gains made earlier in the week. Prices were pressured after rate increases by major central banks and their accompanying messages stoked fears of a global downturn. Inventory builds across the board in the United States also weighed on oil prices this week, as well as the policy statements from the Fed and other major central banks such as the European Central Bank (ECB) and the Bank of England, which said the taming of the inflation – which may have already peaked – needs continued monetary policy tightening and the rates at the end of the tightening cycle could end up higher than initially estimated. WTI for January delivery gained \$3.27 per barrel, or 4.60% to \$74.29 this week, up two of the past three weeks. For Friday's session it is down \$1.82 or 2.39%, the sixth lowest settlement value this year. Brent Crude for February delivery gained \$2.94 per barrel, or 3.86% to \$79.04 this week for the session it was down \$2.17 or 2.67, the sixth lowest this year. RBOB Gasoline for January delivery gained 7.62 cents per gallon, or 3.71% to \$2.1323 this week, down 3.45 cents or 1.59% for the session. ULSO for January delivery gained 32.62 cents per gallon, or 11.68% to \$3.1199 this week down 16.35 cents or 4.98% for the session.

**Technical Analysis:** The main trend for WTI remains to the downside, with a break below \$70 accelerating downward pressure. Should be break above \$93.74, the trend would shift to the upside and allow for a push toward \$96.47. The nearest resistance sits at \$76.13, 77.97 and \$79.37. Support is seen at \$72.89, \$71.49 and \$69.65.

**Fundamental News:** The U.S. Energy Department said it will begin repurchasing crude oil for the SPR, the first purchase since this year's record 180 million barrel release from the stockpile. The department will buy 3 million barrels for delivery in February. The purchases are being made using a new rule tweak that allows the Energy Department to buy oil using fixed-price contracts. Previously, the DOE could enter into contracts for future delivery, but the price paid reflected prices at the time the product was delivered.

According to Refinitiv data, gasoline exports from Northwest Europe to the U.S. East Coast have so far reached 490,000 tons in December compared with a total of 795,000 tons in November. Exports to West Africa were also down sharply in December at 770,000 tons compared with 1.8 million tons a month earlier and the lowest level since April 2020.

The Kremlin said it was finalizing the last details of how it would respond to the West's imposition of a price cap on Russia's oil exports. Russia has repeatedly said it will not sell oil to countries that comply with the cap and has promised to publish a presidential decree outlining Russia's full response this week.

Commerzbank said it does not expect to see a visible upturn in the global economy and commodity prices until the middle of next year. It believes the current oil price weakness is short-lived and sees a significant price recovery in the coming months. It stated that by the middle of the year, a barrel of Brent oil should cost \$95/barrel again.

Goldman Sachs analysts are sticking by their past commodities' supercycle predictions and expect to see a 43% gain in 2023 following an uncertain first quarter. Analysts said "Without sufficient capex to create spare supply capacity, commodities will remain stuck in a state of long-run shortages, with higher and more volatile prices."

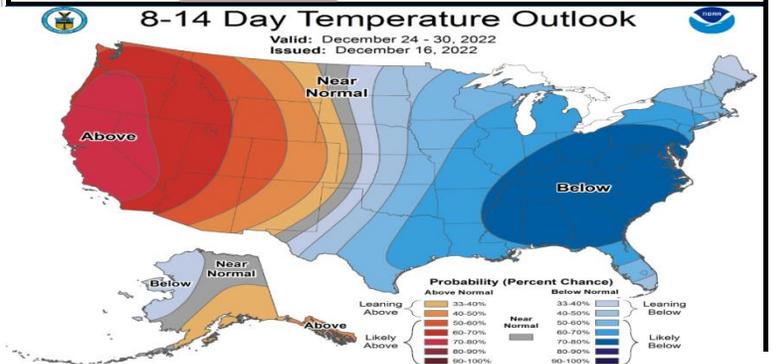
**Early Market Call - as of 8:40 AM EDT**

WTI - January \$74.99 Up 0.70  
 RBOB - January \$2.1568 Up 0.0269  
 HO - January \$3.1191 Down 0.0008

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-23	3.1199	-0.1635	0.3262
Feb-23	3.0746	-0.14	0.2966
Mar-23	2.9703	-0.1249	0.2409
Apr-23	2.8615	-0.1129	0.1904
May-23	2.7883	-0.1011	0.1553
Jun-23	2.7435	-0.0905	0.1292
Jul-23	2.7217	-0.0835	0.1086
Aug-23	2.7092	-0.0806	0.0955
Sep-23	2.7041	-0.0773	0.0901
Oct-23	2.6971	-0.0738	0.084
Nov-23	2.6864	-0.0703	0.0771
Dec-23	2.6733	-0.0672	0.0702
Jan-24	2.6607	-0.0658	0.0651
Feb-24	2.6472	-0.0654	0.0608
Mar-24	2.6283	-0.0649	0.0591
Apr-24	2.6033	-0.0646	0.0573
May-24	2.5906	-0.0636	0.055

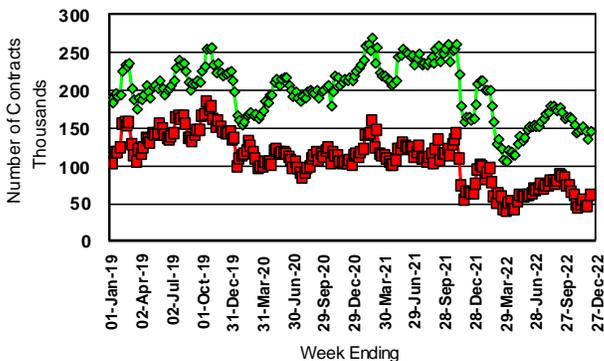
Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$4.58	\$74.4600	-\$1.6900
Crude - Brent		\$79.0400	-\$2.1700
Natural Gas		\$6.6000	-\$0.3700
Gasoline		\$2.1323	-\$0.0345



## Commitment of Traders Report for the Week Ending December 13, 2022

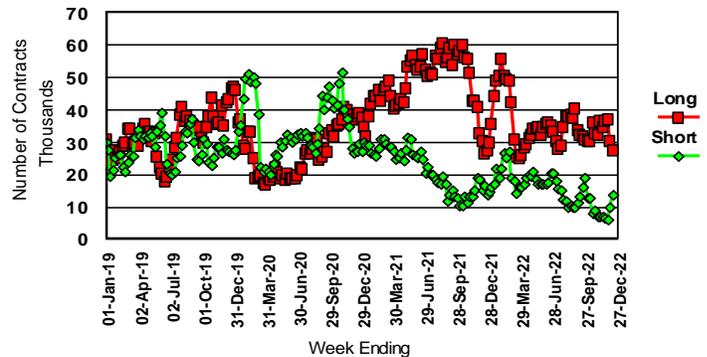
### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report



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