

Market Commentary

Recap: The crude market posted an inside trading day as it failed to breach its previous trading range. The market posted the day's trading range by mid-day as it bounced off a low of \$73.41 and traded to a high of \$75.25. The market remained well supported in overnight trading following new attacks by the U.S. and the U.K. against Houthi sites in Yemen. The market also remained supported by Ukraine's drone attack on a Russian fuel terminal in the Baltic Sea over the weekend. However, the market's gains were limited as traders focused on rebounding U.S. supply and the lack of impact to output due to the geopolitical tensions in the Middle East. The market later erased some of its gain during the remainder of the session as it traded back down towards the \$74.00 level and traded in a 50 cent trading range ahead of the close. The March WTI on its first session as the spot month settled down 39 cents at \$74.37 and the March Brent contract settled down 51 cents at \$79.55. The product markets ended lower, with the heating oil market settling down 22 points at \$2.6913 and the RB market settling down 2.77 cents at \$2.2101.

Technical Analysis: The crude market will continue to trend sideways ahead of the weekly petroleum stocks reports, which are expected to show draws in crude stocks of over 2 million barrels and builds in product stocks. The oil market is seen finding resistance at its highs of \$75.25, \$75.46, \$75.81 and \$76.31. Further resistance is seen at \$76.71 and \$79.56. Support is however seen at its low of \$73.41, \$72.56, \$72.10, \$70.62, \$70.25 and \$69.56.

Fundamental News: According to data from LSEG and industry sources, the Baltic Sea port of Ust-Luga was exporting crude oil and fuel on Tuesday apart from at Novatek's terminal which remained closed after being damaged by fire. On Sunday, Novatek said it had been forced to suspend some operations at the Baltic Sea fuel export terminal and "technological processes" at its fuel-producing complex due to a fire, started by what Ukrainian media said was a drone attack. Analysts believe it will take weeks to restart large-scale operations at the complex and the terminal. According to LSEG ship-tracking data, two tankers, Adebomi and Bay Global, are currently being loaded at the crude export terminal.

The North Dakota Pipeline Authority said over 20% of North Dakota's oil output remained shut in due to extreme cold weather and operational challenges. It said oil output was estimated to be down 250,000 bpd to 300,000 bpd, unchanged from the previous estimate on Monday.

Energy Transfer said it does not expect U.S. Army Corps of Engineers to shut down its Dakota Access oil pipeline following a long-pending environmental review of a section that runs under a lake and is opposed by Native American tribes. Energy Transfer's Executive Chairman, Kelcy Warren, said it is not affected by the U.S. Army Corps of Engineers' more intensive draft environmental impact study for the Dakota Access oil pipeline. The tribes have opposed the pipeline, saying they draw water from the lake for various purposes, including drinking and consider the waters of the Missouri River to be sacred.

U.S. oil refiners have asked President Joe Biden's administration to reform the renewable fuel credit program by restricting who can participate, claiming the current trading environment allows market manipulation and raises fuel costs. Coffeyville Resources Refining and Marketing and Wynnewood Refining Company said that such an adjustment to the program could reduce the price of the renewable fuel credits, known as RINs, and would lower the cost of the fuel for U.S. motorists.

Early Market Call - as of 9:35 AM EDT

WTI - March \$75.05, up 67 cents
 RBOB - February \$2.2208, up 1.07 cents
 HO - February \$2.6948, up 35 points

All NYMEX | Prior Settlements

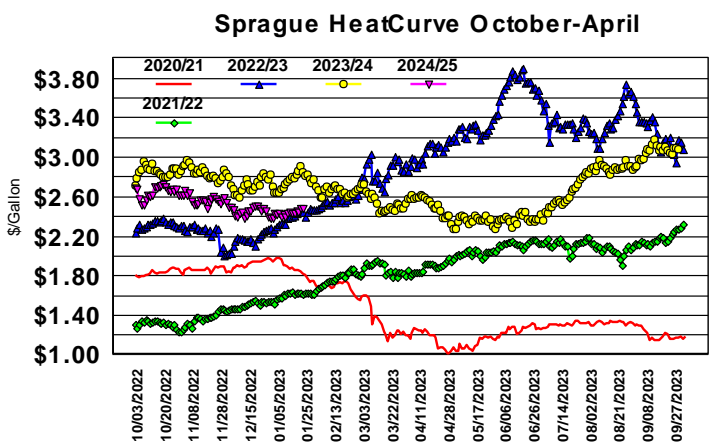
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-24	2.6913	-0.0022	0.0377
Mar-24	2.6634	-0.0003	0.0531
Apr-24	2.6032	-0.0023	0.0500
May-24	2.5526	-0.0049	0.0456
Jun-24	2.5130	-0.0064	0.0425
Jul-24	2.4956	-0.0062	0.0406
Aug-24	2.4884	-0.0051	0.0407
Sep-24	2.4908	-0.0040	0.0417
Oct-24	2.4946	-0.0036	0.0423
Nov-24	2.4922	-0.0037	0.0424
Dec-24	2.4838	-0.0038	0.0420
Jan-25	2.4757	-0.0039	0.0415
Feb-25	2.4652	-0.0041	0.0410
Mar-25	2.4496	-0.0043	0.0404
Apr-25	2.4276	-0.0043	0.0387
May-25	2.4117	-0.0047	0.0357
Jun-25	2.3985	-0.0050	0.0330

Sprague HeatCurve October 2024-April 2025			\$2.4701
		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.18	\$74.3700	-\$0.3900
Crude - Brent		\$79.5500	-\$0.5100
Natural Gas		\$2.4500	\$0.0310
Gasoline		\$2.2101	-\$0.0277

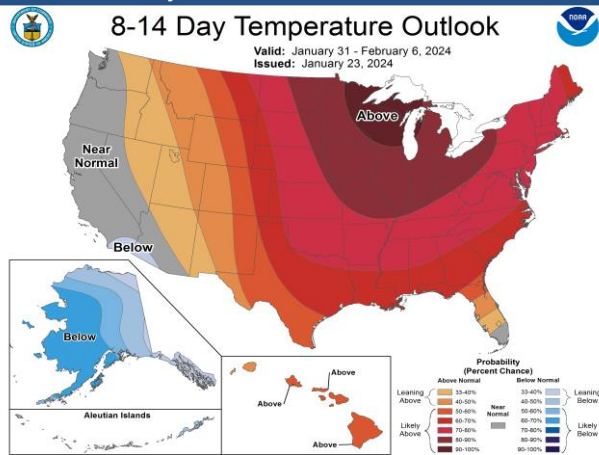
API Report for the Week Ending January 19, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 6.67 million barrels	Down 2.2 million barrels
Gasoline Stocks	Up 6.67 million barrels	Up 2.3 million barrels
Distillate Stocks	Down 250,000 barrels	Up 300,000 barrels
Refinery Runs		Down 1.2%, at 91.4%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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