

Market Commentary

Recap: Oil prices turned lower Wednesday after official U.S. inventory data posted a 1.6 million barrel rise in U.S. crude oil stockpiles, which defied analyst predictions for a drawdown. Earlier, oil prices for the U.S. and global benchmarks had edged higher as cautious optimism for a trade pact between the U.S. and China continued to prop up commodities prices and sent stocks to record highs. After the release of the report, January WTI tumbled 62 cents, or 1%, to \$57.58 a barrel, while January Brent slipped 72 cents, or 1.1% to \$63.56 a barrel. WTI for January delivery closed down 30 cents at \$58.11 a barrel. January Brent fell by 21 cents to \$64.06 a barrel. December RBOB was down 2.55 cents at \$1.6792 a gallon, while December heating oil fell 1.41 cents to \$1.9465 a gallon.

Technical Analysis: Despite slipping below the 10-day moving average, January WTI rebounded to recapture the \$58.00 level. With prices trading near the top of the sideways trading pattern, we will most likely see a continuation of this pattern. Given the long Thanksgiving Holiday weekend for most, trading should remain quite. Resistance rests at \$58.74 and \$60.00. Support is seen at \$57.57 and below that at \$56.60.

Fundamental News: Baker Hughes reported that the number of rigs drilling for oil in the US fell by three to 668 in the week ending November 27th, the sixth consecutive decline and down to March 2017 levels.

The EIA reported that US weekly crude production increased by 100,000 bpd to 12.9 million bpd in the week ending November 22nd. It reported that gasoline stocks increased by 5.1 million barrels last week to 226 million barrels, the largest increase since January.

Libya's National Oil Corp said rival Libyan forces clashed around the 70,000 bpd El Feel oilfield on Wednesday. Airstrikes halted production at the oilfield, as eastern-based forces retaliated after a rival group took control of the field. Production will remain shut until military activity ceases and all military personnel withdraw from NOC's area of operations. Libya's oil production has been repeatedly disrupted in recent years by conflict and blockades but is currently relatively stable at about 1.25 million bpd.

Russia's Energy Minister, Alexander Novak, said the forthcoming meeting of OPEC and other large oil producers may discuss adjusting oil output quotas at a meeting on December 5th.

Separately, Russian and OPEC sources said Russia is likely to call on fellow oil producers to change the way Russia's output is measured during the OPEC and non-OPEC meeting next week. The sources did not say whether Russia would make other agreements with OPEC conditional to OPEC agreeing to change Russia's quota such as extending their production cuts to next year or deepening them. However, the debate could further complicate the meeting of OPEC and allies, known as OPEC+.

In its Beige Book, the Federal Reserve said US businesses have seen continued growth in economic activity, wages and prices during recent weeks, and they maintain a generally positive outlook. The economy expanded modestly from October through mid-November. It said outlooks generally remained positive, with some contacts expecting the current pace of growth to continue into next year.

Early Market Call - as of 9:30 AM EDT

WTI - Jan \$56.38, up \$1.21
 RBOB - Jan \$1.6127, up 2.21 cents
 HO - Jan \$1.9140, up 3.54 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-19	1.9465	-0.0141	-0.0544
Jan-20	1.9453	-0.0127	-0.0549
Feb-20	1.9423	-0.0114	-0.0451
Mar-20	1.9312	-0.0106	-0.0545
Apr-20	1.9144	-0.0099	-0.0525
May-20	1.9011	-0.0099	-0.0495
Jun-20	1.8917	-0.0102	-0.0454
Jul-20	1.8882	-0.0099	-0.0432
Aug-20	1.8861	-0.0097	-0.0412
Sep-20	1.8862	-0.0094	-0.0398
Oct-20	1.8871	-0.0093	-0.0390
Nov-20	1.8884	-0.0093	-0.0384
Dec-20	1.8895	-0.0093	-0.0380
Jan-21	1.8903	-0.0091	-0.0369
Feb-21	1.8843	-0.0088	-0.0360
Mar-21	1.8732	-0.0085	-0.0350
Apr-21	1.8558	-0.0082	-0.0342

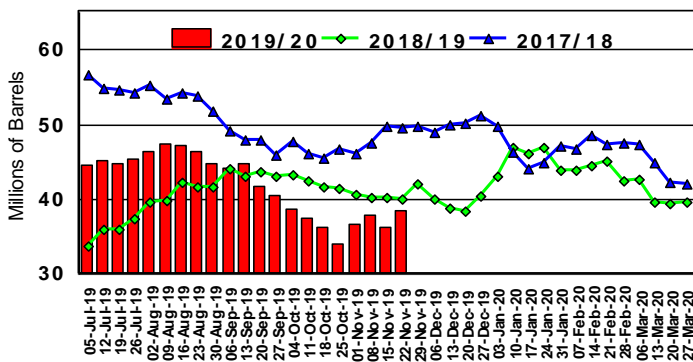
Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$58.1100	-\$0.3000
Crude - Brent	WTI Spread	\$64.0600	-\$0.2100
Natural Gas	\$5.95	\$2.5010	-\$0.0320
Gasoline		\$1.6792	-\$0.0255

EIA Working Gas Storage Report

	22-Nov-19	15-Nov-19	Change	Year Ago
East	894	909	-15	782
Midwest	1,052	1,069	-17	941
Mountain	204	205	-1	171
Pacific	293	292	1	255
South Central	1,166	1,164	2	915
Salt	303	299	4	258
Nonsalt	863	864	-1	656
Total	3,610	3,638	-28	3,062

Weekly EIA Petroleum Status Report for the Week Ending November 22, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 1.572 million barrels
 Cushing, OK Crude Stocks Down 97,000 barrels
Gasoline Stocks Up 5.132 million barrels
Distillate Stocks Up 725,000 barrels
Refinery % Operated 89.3%, down 0.2%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Nov 22, 2019	Week Ending Nov 15, 2019	Week Ending Nov 23, 2018
New England	8.1	7.4	7.5
Central Atlantic	19.6	18.0	21.2
Total PADD #1	38.3	36.2	40.1
Distillate Imports (thousands b/d)	229	300	154

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