

Market Commentary

Recap: The oil market continued to trade higher on Tuesday as the market focused on the hopes of increased demand in China. The strength in the market follows the reports that China will adopt loose monetary policy next year in an attempt to prompt economic growth. The market was also supported by news that China's crude oil imports increased annually for the first time in seven months, increasing by 14.3% on the year in November. Early in the morning, the market posted a low of \$67.72 as concerns eased about the fallout from the ouster of Syria's President. Syrian rebels were working to form a government and restore order and the country's banks and oil sector were resuming work on Tuesday. The oil market bounced off its low and rallied to a high of \$69.06 by mid-day amid the economic news from China. It later erased some of its gains as traders positioned themselves ahead of the weekly petroleum stocks reports later on Tuesday and Wednesday morning. The January WTI contract settled up 22 cents at \$68.59 and the February Brent contract settled up 5 cents at \$72.19. The product markets ended the session higher, with the heating oil market settling up 26 points at \$2.1861 and the RB market settling up 43 points at \$1.9568.

Technical Analysis: The crude market on Tuesday will seek further direction from the weekly petroleum stocks reports, which are expected to show draws in crude stocks of less than 1 million barrels and builds in product stocks of over 1.5 million barrels. It will likely trend sideways as the market continues to hold support amid the recent economic news from China. The oil market is seen finding support at its low of \$67.72, \$67.44, \$67.08, \$66.98, \$66.53 followed by \$65.74, \$64.22 and \$63.90. Resistance is seen at its high of \$69.06, \$69.16, \$70.51 and \$71.48-\$71.51.

Fundamental News: The EIA estimated in its Short Term Energy Outlook that world petroleum demand in 2024 is expected to increase by 890,000 bpd to 103.03 million bpd and increase by 1.29 million bpd to 104.32 million bpd in 2025. Its world oil demand estimate for 2024 was cut from a previous estimate of 103.1 million bpd and its estimate for 2025 was also cut from a previous forecast of 104.4 million bpd. World oil output in 2024 is forecast to increase by 570,000 bpd to 102.59 million bpd, while output in 2025 is expected to increase by 1.65 million bpd to 104.24 million bpd. OPEC crude output is forecast to fall by 100,000 bpd to 32.07 million bpd in 2024 and increase by 160,000 bpd to 32.23 million bpd in 2025. U.S. oil output is estimate to increase by 310,000 bpd to 13.24 million bpd in 2024 and increase by 280,000 bpd to 13.52 million bpd. U.S. net crude oil imports are forecast to fall by 20% next year to 1.9 million bpd, the lowest level since 1971. U.S. total petroleum products demand is forecast to increase by 10,000 bpd to 20.29 million bpd in 2024 and by 240,000 bpd to 20.53 million bpd in 2025. Gasoline demand in 2024 is expected to remain unchanged at 8.94 million bpd but increase by 10,000 bpd to 8.95 million bpd in 2025, while distillate demand is forecast to fall by 80,000 bpd to 3.8 million bpd in 2024 and increase by 160,000 bpd to 3.96 million bpd in 2025. The EIA lowered its forecast for WTI prices to \$76.51/barrel in 2024 from a previous forecast of \$77/barrel and the estimate for 2025 was lowered to \$69.12/barrel, down from a previous forecast of \$71.60/barrel. The EIA also lowered its estimate for Brent crude prices to \$80.49/barrel in 2024, down from a previous forecast of \$80.95/barrel, while the forecast for 2025 was cut to \$73.58/barrel, down from a previous forecast of \$76.06/barrel.

China's crude oil imports in November increased from a year earlier for the first annual growth in seven months, driven by lower prices of Middle East supplies and additions to the national stockpile. Data from the General Administration of Customs showed China imported 48.52 million metric tons or 11.81 million bpd in November, up 14.3% from 42.45 million tons a year earlier.

Early Market Call - as of 8:20 AM EDT

WTI - Jan \$69.39, up 80 cents
 RBOB - Jan \$1.9785, up 2.17 cents
 HO - Jan \$2.2083, up 2.22 cents

All NYMEX | Prior Settlements

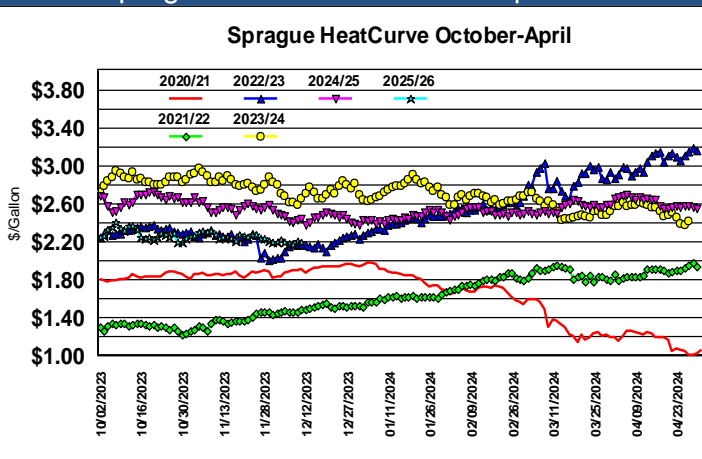
| | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Jan-25 | \$2.1861 | \$0.0026 | -\$0.0316 |
| Feb-25 | \$2.1924 | \$0.0044 | -\$0.0275 |
| Mar-25 | \$2.1832 | \$0.0045 | -\$0.0269 |
| Apr-25 | \$2.1680 | \$0.0031 | -\$0.0276 |
| May-25 | \$2.1585 | \$0.0016 | -\$0.0273 |
| Jun-25 | \$2.1538 | \$0.0003 | -\$0.0260 |
| Jul-25 | \$2.1601 | -\$0.0009 | -\$0.0242 |
| Aug-25 | \$2.1675 | -\$0.0016 | -\$0.0227 |
| Sep-25 | \$2.1760 | -\$0.0019 | -\$0.0226 |
| Oct-25 | \$2.1837 | -\$0.0022 | -\$0.0238 |
| Nov-25 | \$2.1885 | -\$0.0028 | -\$0.0253 |
| Dec-25 | \$2.1920 | -\$0.0035 | -\$0.0256 |
| Jan-26 | \$2.1973 | -\$0.0041 | -\$0.0261 |
| Feb-26 | \$2.1968 | -\$0.0043 | -\$0.0257 |
| Mar-26 | \$2.1885 | -\$0.0045 | -\$0.0248 |
| Apr-26 | \$2.1738 | -\$0.0048 | -\$0.0239 |
| May-26 | \$2.1645 | -\$0.0051 | -\$0.0229 |

| Sprague HeatCurve October 2025-April 2026 | | | \$2.1909 |
|---|-----------------------------|-----------|-----------|
| | | Close | Change |
| Crude - WTI | Feb Brent-WTI Spread \$3.92 | \$68.2700 | \$0.1800 |
| Crude - Brent | | \$72.1900 | \$0.0500 |
| Natural Gas | | \$3.1630 | -\$0.0190 |
| Gasoline | | \$1.9568 | \$0.0043 |

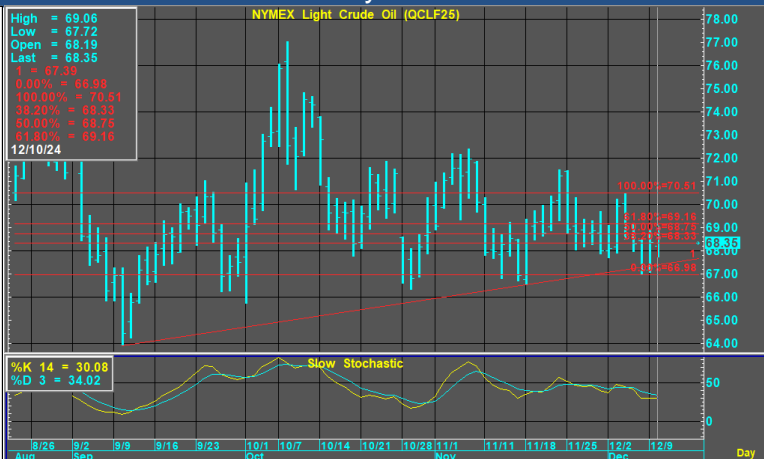
API Report for the Week Ending December 6, 2024

| | Actual | Mkt Expectations |
|---------------------------|-------------------------|------------------------|
| Crude Oil Stocks(exl SPR) | Up 499,000 barrels | Down 600,000 barrels |
| Gasoline Stocks | Up 2.85 million barrels | Up 1.7 million barrels |
| Distillate Stocks | Up 2.45 million barrels | Up 1.7 million barrels |
| Refinery Runs | | Unchanged at 93.3% |

Sprague HeatCurve October-April



NYMEX January WTI



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