

Market Commentary

Recap: The oil market continued to trend lower for the second consecutive session after China's economic growth targets provided little optimism about an immediate economic rebound. China announced an economic growth target of 5% for 2024. However economists believe it is a goal that would not be easy to accomplish, with its fiscal deficit target of 3% of GDP. The country's lower fiscal spending could restrict the economic stimulus measures and thus affect oil demand. The crude market opened lower and continued to trend lower on the economic news. The market posted a low of \$77.52 early in the session before it retraced some of its losses and posted a high of \$78.74 by mid-day. It later erased some of its gains and settled in a sideways trading range ahead of the close. The April WTI contract settled down 59 cents at \$78.15 and the May Brent contract settled down 76 cents at \$82.04. The product markets ended the session lower, with the heating oil market settling down 4.07 cents at \$2.6065 and the RB market settled down 5.29 cents at \$2.5328.

Technical Analysis: The crude market will likely continue to trend lower on Wednesday, with the weekly petroleum stocks reports expected to show builds in crude stocks of over 3 million barrel. However, its losses will remain limited as the market continues to await news on a possible ceasefire in Gaza and as the Houthis continue to target ships in the Red Sea. The oil market is seen finding support at its low of \$77.52, \$77.27, \$77.17 followed by \$76.17, \$75.84, \$75.52-\$75.49 and \$75.07. Meanwhile, resistance is seen at \$79.49, \$80.41 and \$80.85. Further upside is seen at \$81.50, \$82.00 and \$82.61.

Fundamental News: Interfax news agency quoted Russian President Vladimir Putin as saying that the OPEC+ alliance aims at price stability in the oil market, not endless price increases and so far it is succeeding in this.

HSBC said "Our view remains that OPEC+ has no exit strategy as we see no space to fully unwind the cut in the medium term." It said spare capacity overhang will cap price upside. Its Brent oil price assumptions remain at \$82.50/barrel for 2024 and \$76.50/barrel from 2025 onwards. The bank forecast a deficit of 1 million bpd on average in 2024, up from a previous estimate of 600,000 bpd and added that the market will be broadly in balance in 2025, compared with a previous estimate of a 300,000 bpd surplus.

Yemen's Houthis said they carried out "qualitative military operation in which they targeted two U.S. warships destroyers in the Red Sea."

Earlier, the U.S. Central Command said that one of two anti-ship ballistic missiles that Yemen's Houthis targeted the container vessel M/V MSC SKY II with in the Gulf of Aden hit the ship causing "damage." It said "Initial reports indicate there were no injuries; the ship did not request assistance and continued on its way."

Alaska's Department of Revenue reported Monday that North Slope crude oil production rose by 4,888 b/d in February from January, but was off by 14,901 b/d from the same month a year ago.

Analysts said a possible reimposition of U.S. oil sanctions on Venezuela next month would stagnate the country's crude oil output. An expert on Latin American energy policy with Rice University's Baker Institute, Francisco Monaldi, said production is expected to increase slightly between 2024 and 2026, declining from then on if oil sanctions are fully restored.

Early Market Call - as of 8:30 AM EDT

WTI - April \$79.08, up 93 cents
 RBOB - April \$2.54, up 72 points
 HO - April \$2.6021, down 44 points

All NYMEX | Prior Settlements

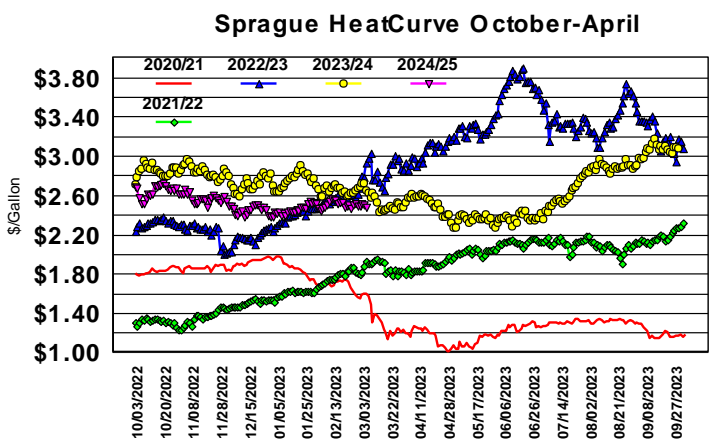
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	2.6065	-0.0407	-0.0912
Apr-24	2.5621	-0.0351	-0.0686
May-24	2.5284	-0.0326	-0.0607
Jun-24	2.5159	-0.0326	-0.0558
Jul-24	2.5107	-0.0315	-0.0512
Aug-24	2.5136	-0.0285	-0.0464
Sep-24	2.5138	-0.0258	-0.0426
Oct-24	2.5068	-0.0244	-0.0393
Nov-24	2.4930	-0.0236	-0.0365
Dec-24	2.4820	-0.0224	-0.0335
Jan-25	2.4672	-0.0214	-0.0321
Feb-25	2.4476	-0.0212	-0.0316
Mar-25	2.4219	-0.0209	-0.0305
Apr-25	2.4038	-0.0205	-0.0295
May-25	2.3879	-0.0200	-0.0283
Jun-25	2.3772	-0.0195	-0.0282
Jul-25	2.3690	-0.0191	-0.0287

Sprague HeatCurve October 2024-April 2025			\$2.4757
		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$4.63	\$77.4100	-\$0.7600
Crude - Brent		\$82.0400	-\$0.7600
Natural Gas		\$1.9570	\$0.0410
Gasoline		\$2.5328	-\$0.0529

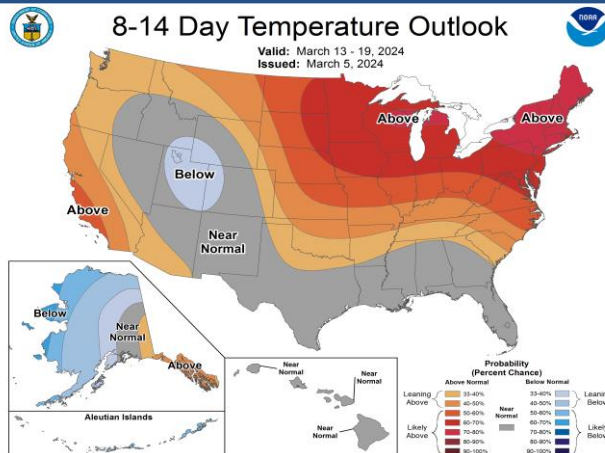
API Report for the Week Ending March 1, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 423,000 barrels	Up 3.7 million barrels
Gasoline Stocks	Down 2.27 million barrels	Down 2.3 million barrels
Distillate Stocks	Down 1.77 million barrels	Down 800,000 barrels
Refinery Runs		Up 1.5%, at 83%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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