

Market Commentary

Recap: The crude market on Monday erased its earlier losses and settled in positive territory for the fifth consecutive session. The market retraced some of its previous losses amid the news that China set a lower than expected target for economic growth this year at about 5%. The oil market remains in a tug of war between optimism over China's reopening and concerns over a hawkish Fed hurting the U.S. economy. The crude market sold off to a low of \$78.32 in overnight trading before it bounced off its low and erased its earlier losses as the market shrugged off the predictions and remained hopeful that overall global oil demand will strengthen through the rest of the year. It rallied to a high of \$80.49 by mid-day before settling in a sideways trading pattern ahead of the close. The April WTI contract settled up 78 cents at \$80.46, while the April Brent contract settled up 35 cents at \$86.18. The product markets ended mixed, with the heating oil market settling down 2.65 cents at \$2.8866 and the RB market settling up 4.61 cents at \$2.7965.

Technical Analysis: The oil market will likely trade sideways as the Federal Reserve's Chair, Jerome Powell, is scheduled to testify to Congress on Tuesday and Wednesday, when lawmakers will likely question him on whether larger increases in interest rates are needed. However, future U.S. rate hikes are likely to depend on what the February payrolls report reveals on Friday followed by the February inflation report next week. The crude market is seen finding resistance at its high of \$80.63, \$81.91, its 50% retracement level from a low of \$70.08 to a high of \$93.74, \$82.48 and \$82.64. More distant resistance is seen at \$84.70, its 62% retracement level. Meanwhile, support is seen at \$78.32, \$77.81, \$77.51, \$76.80, \$76.09 and \$75.83. More distant support is seen at \$75.55, \$75.22, \$74.99, \$74.09 and \$73.83 - \$73.80.

Fundamental News: Goldman Sachs expects Brent crude oil to start gradually moving higher this month, reaching \$100/barrel in December.

Chevron Corp's Chief Executive, Mike Wirth, said oil market and logistics are tight and vulnerable to any unexpected supply disruption as Russian oil is still getting to the market but at different costs.

Gunvor's CEO, Torbjorn Tornqvist, said crude prices may increase in the second half of the year as Chinese demand returns to the market, adding that the oil market has stabilized.

The CEO of oilfield service firm SLB, Olivier Le Peuch, said the company expects oil prices to move higher amid a shortfall in supply. He said he anticipates moderate growth this year.

Northwest Europe gasoline exports to the U.S. and West Africa in February fell to their lowest level since January 2022. February loadings fell to 1.65 million tons, down from 2.2 million tons in January and 2.64 million tons in February 2022. Separately, Refinitiv reported that there are now at least three newly built VLCC's laden with diesel heading to Europe, with total February imports reaching 6.7 million tons.

Estonia's Foreign Minister, Urmas Reinsalu, said the European Union should halve the \$60 price cap on Russian oil this month and further cut Russia's ability to fund the war in Ukraine.

Ecuador's Petroecuador has lifted its force majeure declaration from late February following a bridge collapse and will soon bring crude oil exports back online.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1,467,000 bpd of capacity in the week ending March 10th, increasing available refining capacity by 152,000 bpd. Offline capacity is expected to fall to 1,286,000 bpd in the week ending March 17th.

Early Market Call - as of 8:30 AM EDT

WTI - April \$79.94, down 52 cents

RBOB - April \$2.7832, down 1.33 cents

HO - April \$2.8738, down 1.35 cents

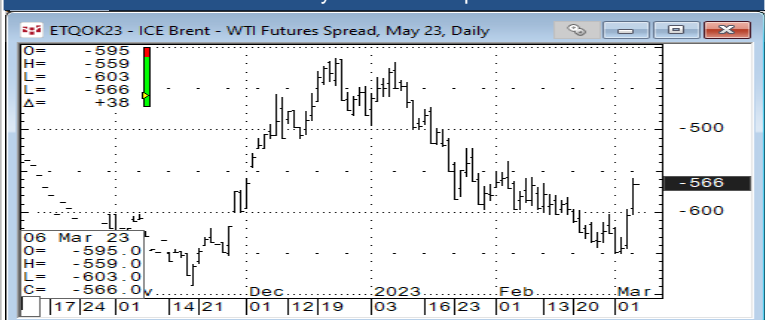
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-23	2.8866	-0.0265	0.0863
May-23	2.8390	-0.0163	0.0981
Jun-23	2.7936	-0.0107	0.0987
Jul-23	2.7730	-0.0078	0.1011
Aug-23	2.7636	-0.0058	0.1036
Sep-23	2.7602	-0.0052	0.1031
Oct-23	2.7563	-0.0038	0.1028
Nov-23	2.7495	-0.0023	0.1020
Dec-23	2.7388	-0.0005	0.1001
Jan-24	2.7302	0.0010	0.0983
Feb-24	2.7184	0.0029	0.0959
Mar-24	2.7001	0.0048	0.0931
Apr-24	2.6751	0.0070	0.0917
May-24	2.6607	0.0082	0.0902
Jun-24	2.6486	0.0103	0.0895
Jul-24	2.6383	0.0110	0.0877
Aug-24	2.6276	0.0113	0.0860

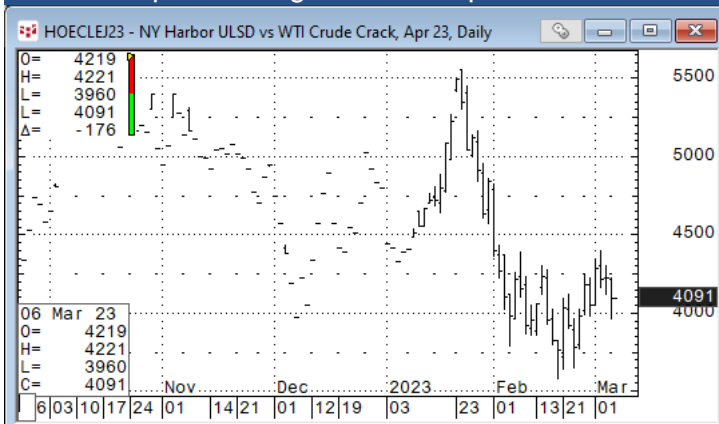
Sprague HeatCurve October 2023-April 2024

		Close	Change
Crude - WTI	May Brent- WTI Spread \$5.62	\$80.5600	\$0.7700
Crude - Brent		\$86.1800	\$0.3500
Natural Gas		\$2.5720	-\$0.4370
Gasoline		\$2.7965	\$0.0461

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

