

Market Commentary

Recap: The oil market was the midst of four day winning streak early in the session but sold off sharply ahead of the close under the weight of some bearish news. U.S. Energy Secretary Jennifer Granholm said that refilling the country's SPR would be difficult this year and may take several years. Her comments pressured the market on concerns about a potential oversupply, with the Energy Department planning to proceed with an additional release of 26 million barrel as part of its congressional mandate. Early in the session, the market was supported by Goldman Sachs stating that Chinese demand continued to increase across the commodity complex, with oil demand surpassing 16 million bpd. The market was also well supported in light of strong jobs data and a weaker dollar that fed fuel demand hopes. The oil market breached a downward trending resistance line at \$70.60 and rallied to a high of \$71.67 by mid-day, as the dollar index traded at its lowest level since February 3rd. However, the market sold off and posted a low of \$69.18 ahead of the close. The May WTI contract settled down 94 cents at \$69.96 and the May Brent contract settled down 78 cents at \$75.91. The product market were mixed, with the heating oil market settling down 5.56 cents at \$2.6847 and the RB market settling up 1.27 cents at \$2.6059.

Technical Analysis: The oil market on Friday is seen remaining range bound following today's volatile trading session. The market is seen finding support at its lows of \$69.14, \$68.89 and \$66.90. Further support is seen at \$64.36, \$62.31, \$61.74 and \$60.00. Resistance is seen at \$69.73, its high of \$71.67, \$72.71, \$74.67 and \$75.02.

Fundamental News: U.S. Energy Secretary, Jennifer Granholm, told lawmakers that it could take years for the United States to refill the Strategic Petroleum Reserve, after sales directed by President Joe Biden last year pushed the stockpile to the lowest level since the early 1980s. Biden administration officials have said they want to refill the reserve, after last year's historic sale of 180 million barrels, when the oil price consistently is around \$70/barrel. Oil from that sale sold about \$94 per barrel. Last month, the Energy Department said it is moving forward with a sale of 26 million barrels from the SPR that was mandated by Congress in earlier years to help fund the federal budget. The Energy Secretary said that sale, in which oil will be delivered from April 1st to June 20th, and maintenance at the reserve at two sites will make it difficult to buy back oil this year. She said it could take years to get the reserve back to the level it was before the 180 million barrel sale.

Goldman Sachs reiterated its bullish view on commodities as a banking crisis has yet to spill over into physical markets. Goldman said it was confident in its commodity 'supercycle thesis', with supply constraints becoming pronounced later this year, prompting another rise in prices, adding it favored metals over oil near term. The bank said that Chinese demand continued to increase across the commodity complex, with oil demand surpassing 16 million bpd. It forecast Brent crude prices will reach \$97/barrel in the second quarter of 2024. It said the recent pullback in oil was due to financial risks rather than fundamental supply-demand factors and oil was currently "oversold".

Russia's Deputy Prime Minister, Alexander Novak, said a previously announced cut of 500,000 bpd in oil production would be from an output level of 10.2 million bpd in February. He said that would mean Russia is aiming to produce 9.7 million bpd between March and June, when the production cut will be in force. He also said that Russia had not received any proposals from members of the OPEC+ group to change the terms of an existing production cut agreement. Russia's 500,000 bpd voluntary cuts are on top of the OPEC+ deal and were announced last month following the imposition of new Western sanctions on Russia's oil exports.

Early Market Call - as of 9:15 AM EDT

WTI - May \$73.76, down \$2.15
 RBOB - April \$2.5632, down 4.27 cents
 HO - April \$2.6690, down 1.57 cents

All NYMEX | Prior Settlements

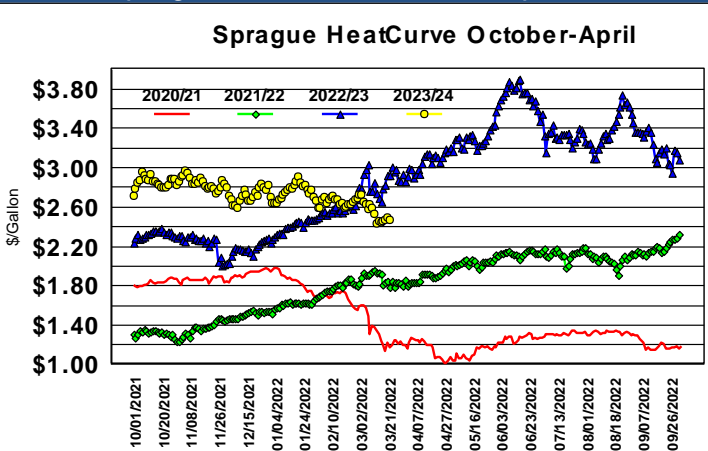
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-23	2.6847	-0.0556	0.0412
May-23	2.5727	-0.0336	0.0369
Jun-23	2.5001	-0.0299	0.0205
Jul-23	2.4787	-0.0275	0.0194
Aug-23	2.4745	-0.0262	0.0209
Sep-23	2.4758	-0.0254	0.0200
Oct-23	2.4765	-0.0250	0.0192
Nov-23	2.4740	-0.0252	0.0176
Dec-23	2.4683	-0.0251	0.0163
Jan-24	2.4652	-0.0246	0.0154
Feb-24	2.4595	-0.0239	0.0147
Mar-24	2.4484	-0.0233	0.0144
Apr-24	2.4311	-0.0227	0.0136
May-24	2.4220	-0.0223	0.0130
Jun-24	2.4149	-0.0217	0.0125
Jul-24	2.4134	-0.0206	0.0134
Aug-24	2.4117	-0.0204	0.0143

Sprague HeatCurve October 2023-April 2024			\$2.4609
		Close	Change
Crude - WTI	May Brent-WTI Spread \$5.95	\$69.9600	-\$0.9400
Crude - Brent		\$75.9100	-\$0.7800
Natural Gas		\$2.1540	-\$0.0170
Gasoline		\$2.6059	\$0.0127

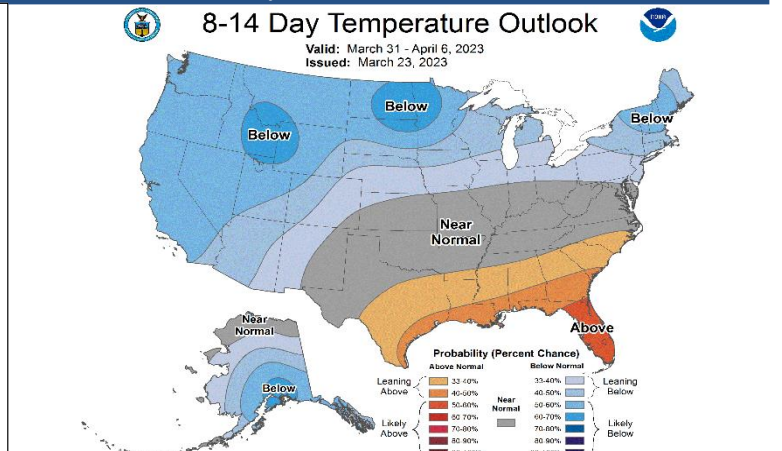
EIA Working Gas Storage Report

	17-Mar-23	10-Mar-23	Change	17-Mar-22
East	355	391	-36	271
Midwest	461	490	-29	321
Mountain	84	87	-3	87
Pacific	72	72	0	157
South Central	927	933	-6	561
Salt	262	266	-4	156
Nonsalt	664	667	-3	405
Total	1900	1972	-72	1,396

Sprague HeatCurve October-April



8-14 Day Weather Outlook



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