

Market Commentary

Recap: On Friday, the oil market extended its gains for the second consecutive session as the expectations of lower exports from Russia amid its planned output cut in March offset increasing inventories in the U.S. and concerns over the global economy. The market traded to \$76.50 in overnight trading before it retraced some of its gain and traded to \$75.39 ahead of the release of the personal consumption expenditures price index. However, the market sold off sharply, extending its losses to \$1.30 as it posted a low of 74.09 following the release of the PCE data showing an increase of 0.6% in January following a 0.2% gain in December and an increase of 5.4% in the 12 months through January, increasing concerns that the Federal Reserve will stick to its hawkish stance a longer period of time, possibly through the summer. The oil market later bounced off its low and retraced all of its earlier losses in volatile trading that pushed the market to a high of \$76.52 by mid-day. The April WTI contract later settled in a sideways trading range and ended the session up 93 cents at \$76.32, while the April Brent contract settled up 95 cents at \$83.16. Meanwhile, the product markets ended mixed once again, with the heating oil market settling up 8.81 cents at \$2.7962 and the RB market settling down 2.08 cents at \$2.3587.

Technical Analysis: The oil market is seen trading sideways as the market remains supported despite the concerns over the economy and its impact on demand. The crude market is seen finding resistance at its high of \$76.56, \$77.02, basis a trendline, followed by \$77.51 and \$78.25. Meanwhile, support is seen at \$75.65, \$74.95, its lows of \$74.09 and \$73.83-\$73.80, \$72.72, basis a trendline, and \$72.25

Fundamental News: JP Morgan said that it sees short-term prices more likely to drift lower towards the \$70s than increase "as global growth headwinds strengthen and excess 'dark' inventory exacerbated by a flooding of Russian oil is worked off". The bank also said it expects OPEC to cut production in order to limit oil price declines.

Baker Hughes reported that U.S. energy firms in February cut the most oil and natural gas rigs in a month since June 2020. It reported that the oil and gas rig count fell by seven to 753 in the week ending February 24th. U.S. oil rigs fell by seven to 600 this week, while gas rigs were unchanged at 151.

IIR Energy reported that U.S. oil refiners are expected to shut in 1,721,000 bpd of capacity in the week ending February 24th, increasing available refining capacity by 30,000 bpd. Offline capacity is expected to increase to 1,444,000 bpd in the week ending March 3rd and increase to 1,621,000 bpd in the week ending March 10th.

U.S. consumer spending rebounded sharply in January amid strong income growth, while inflation accelerated, which could add to financial markets fears that the Federal Reserve could continue raising interest rates through summer. The U.S. Commerce Department said consumer spending increased by 1.8% in January. Data for December was revised higher to show spending fell 0.1% instead of falling 0.2% as previously reported. Spending was likely driven by an 8.7% cost of living adjustment, the biggest increase since 1981, for more than 65 million Social Security beneficiaries, which increased income. The personal consumption expenditures price index increased 0.6% in January after gaining 0.2% in December. Excluding the food and energy components, the PCE price index increased 0.6% after increasing 0.4% in December. The core PCE price index increased 4.7% on a year-on-year basis in January after advancing 4.6% in December.

Early Market Call - as of 8:25 AM EDT

WTI - April \$76.08, down 24 cents
 RBOB - March \$2.3580, down 7 points
 HO - March \$2.8223, up 2.61 cents

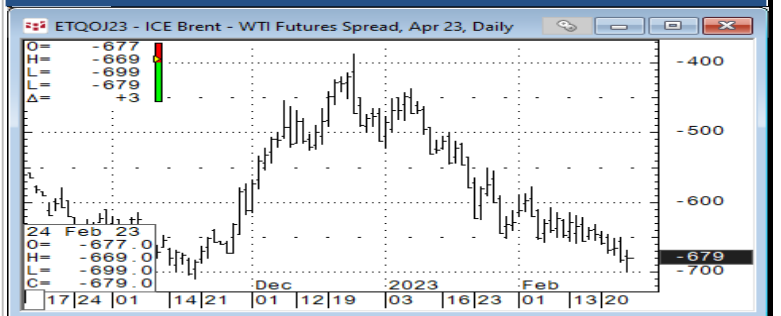
All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-23	2.7962	0.0881	0.0841
Apr-23	2.7671	0.0763	0.0653
May-23	2.7200	0.0604	0.0404
Jun-23	2.6834	0.0496	0.0248
Jul-23	2.6664	0.0441	0.0184
Aug-23	2.6568	0.0397	0.0129
Sep-23	2.6537	0.0365	0.0092
Oct-23	2.6504	0.0344	0.0069
Nov-23	2.6459	0.0332	0.0063
Dec-23	2.6385	0.0325	0.0070
Jan-24	2.6327	0.0313	0.0079
Feb-24	2.6235	0.0300	0.0090
Mar-24	2.6081	0.0301	0.0111
Apr-24	2.5835	0.0295	0.0115
May-24	2.5696	0.0290	0.0119
Jun-24	2.5578	0.0274	0.0116
Jul-24	2.5490	0.0258	0.0101

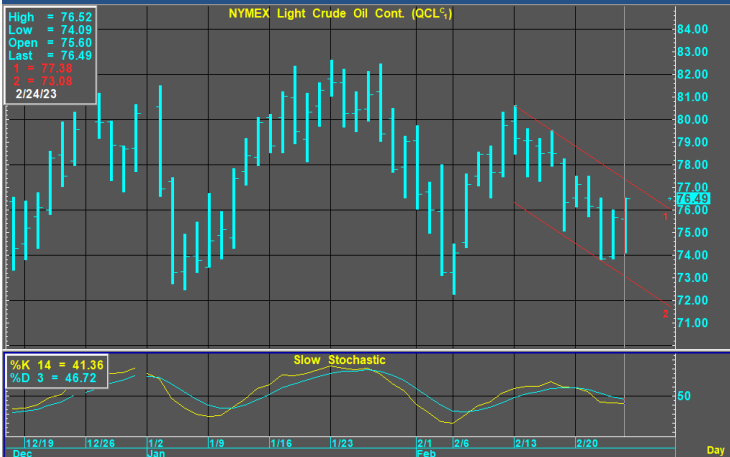
Sprague HeatCurve October 2023-April 2024

		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$6.84	\$76.3200	\$0.9300
Crude - Brent		\$83.1600	\$0.9500
Natural Gas		\$2.4510	\$0.1370
Gasoline		\$2.3587	-\$0.0208

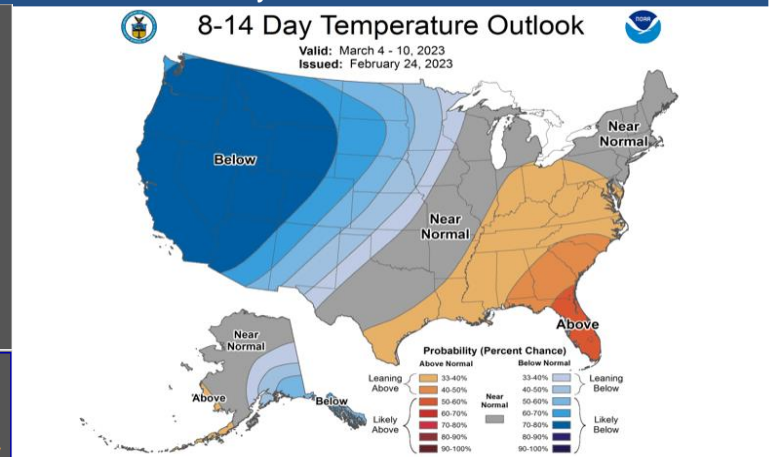
ICE April Brent-WTI Spread



WTI Continuation



8-14 Day Weather Forecast



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