

Market Commentary

Recap: The oil market posted an inside trading day as it failed to breach its previous trading range. The market weighed economic concerns against plans by OPEC+ producers to cut their output. The market traded towards its previous high in overnight trading ahead of the expected draws in oil stocks. However, the market failed to test its previous high and it held resistance at \$81.24. The market erased any of its gains and sold off to a low of \$80.62 as data showing slowing economic conditions weighed on the market. U.S. job openings in February fell the lowest level in nearly two years, suggesting that the labor market was cooling. The market traded off its low and retraced some of its losses but still remained in negative territory, despite the EIA report showing draws across the board. The EIA reported a larger than expected draw in crude stocks of 3.7 million barrels on the week and distillate and gasoline stocks also fell by 3.6 million barrels and 4.1 million barrels, respectively. The May WTI contract later traded in a sideways trading pattern during the remainder of the session and settled down 10 cents at \$80.61. Meanwhile, the May Brent contract settled up 5 cents at \$84.99. The product markets ended in positive territory amid the draws reported in stocks, with the heating oil market settling up 6.43 cents at \$2.7310 and the RB market settling up 8.3 cents at \$2.8201.

Technical Analysis: On Thursday, the crude market is seen remaining supported ahead of the long Easter holiday weekend. The market is seen finding initial resistance at its highs of \$81.24, \$81.81 followed by \$82.64 and \$83.34. More distant resistance is seen at \$85.45 and \$87.51. Meanwhile, support is seen at its lows of \$79.72, \$79.61, its gap from \$79.00 to \$75.72 and \$75.07. More distant support is seen at \$73.77, \$73.03, \$72.61, \$72.19 and \$70.98.

Fundamental News: The EIA reported that U.S. crude oil stocks in the SPR fell by 400,000 barrels to 371.2 million barrels, the lowest level since November 1983, in the week ending March 31st.

S&P Global Commodities at Sea estimated crude oil exports from the U.S. Gulf Coast in March averaged 1.707 million b/d, up some 4% from February levels.

S&P Global is forecasting global oil demand will grow by 2.3 million b/d in 2023, driven by China, despite concerns over feared slowdowns in the U.S. and Europe. They see the cuts by OPEC+ will tighten balances by roughly 25 million barrels each month it is in effect. They see this reducing the stock peak by 50 million barrels and see stocks declining by an additional 75 million barrels by the end of September.

IIR Energy said U.S. oil refiners are expected to shut in about 1.25 million bpd of capacity in the week ending April 7th, decreasing available refining capacity by 67,000 bpd. Offline capacity is expected to fall to nearly 1.2 million bpd in the week ending April 14th.

U.S. private employers hired far fewer workers than expected in March, suggesting that the labor market was cooling. The ADP National Employment report showed that private employment increased by 145,000 jobs last month. Data for February was revised higher to show 261,000 jobs added instead of 242,000 as previously reported.

Cleveland Fed Bank President, Loretta Mester, said it is too early to know if the Federal Reserve will need to raise its benchmark overnight interest rate at its next policy meeting in early May.

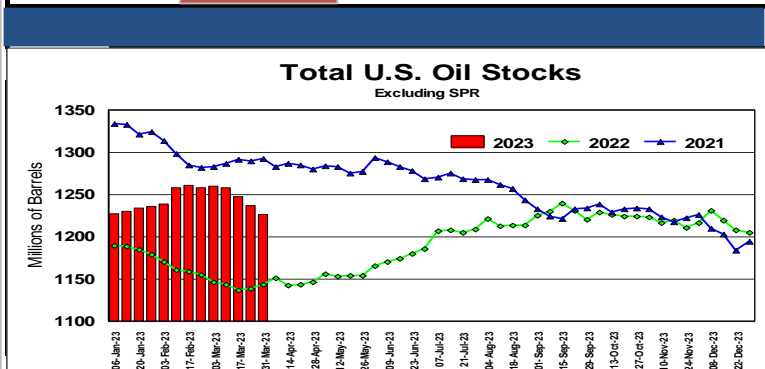
Early Market Call - as of 8:10 AM EDT

WTI - May \$80.75, up 14 cents
 RBOB - May \$2.8321, up 1.20 cents
 HO - May \$2.7238, down 70 points

All NYMEX | Prior Settlements

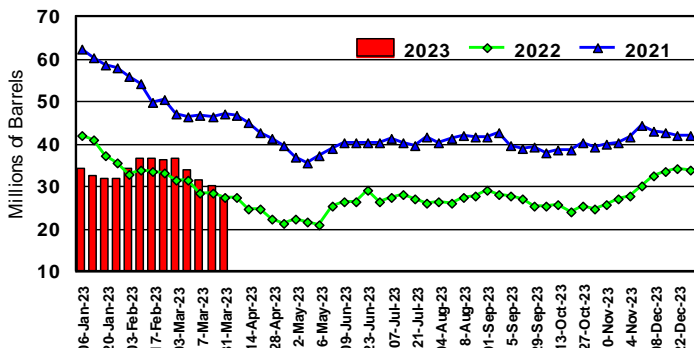
| Month | USLD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Apr-23 | 2.7310 | 0.0643 | 0.1645 |
| May-23 | 2.6717 | 0.0480 | 0.1621 |
| Jun-23 | 2.6577 | 0.0420 | 0.1621 |
| Jul-23 | 2.6541 | 0.0401 | 0.1628 |
| Aug-23 | 2.6528 | 0.0385 | 0.1614 |
| Sep-23 | 2.6498 | 0.0372 | 0.1584 |
| Oct-23 | 2.6407 | 0.0360 | 0.1523 |
| Nov-23 | 2.6284 | 0.0349 | 0.1456 |
| Dec-23 | 2.6184 | 0.0337 | 0.1386 |
| Jan-24 | 2.6055 | 0.0320 | 0.1312 |
| Feb-24 | 2.5854 | 0.0296 | 0.1227 |
| Mar-24 | 2.5583 | 0.0276 | 0.1139 |
| Apr-24 | 2.5417 | 0.0262 | 0.1063 |
| May-24 | 2.5255 | 0.0231 | 0.0974 |
| Jun-24 | 2.5187 | 0.0219 | 0.0919 |
| Jul-24 | 2.5127 | 0.0213 | 0.0872 |
| Aug-24 | 2.5064 | 0.0229 | 0.0835 |

| Sprague HeatCurve October 2023-April 2024 | | \$2.6122 |
|---|-----------|-----------|
| | Close | Change |
| Crude - WTI | \$80.6300 | -\$0.0900 |
| Crude - Brent | \$84.9900 | \$0.0500 |
| Natural Gas | \$2.1550 | \$0.0490 |
| Gasoline | \$2.8201 | \$0.0830 |



Weekly EIA Petroleum Status Report for the Week Ending March 31, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.739 million barrels
 Cushing, OK Crude Stocks Down 970,000 barrels
Gasoline Stocks Down 4.119 million barrels
Distillate Stocks Down 3.632 million barrels
Refinery % Operated 89.6%, down 0.7%

PADD #1

| | Week Ending Mar 31 2023 | Week Ending Mar 24, 2023 | Week Ending Apr 1, 2022 |
|------------------------------------|-------------------------|--------------------------|-------------------------|
| Distillate Stocks (in million bbl) | 27.3 | 30.1 | 27.3 |
| Distillate Imports (thousands b/d) | 100 | 136 | 47 |