

Market Commentary

Recap: The oil market on Monday saw a late day rally and ended higher, recouping some of last week's sharp losses. Early in the session, the market continued on its downward trend on concerns of risks in the global banking sector. The market traded lower to a low of \$64.12 as a deal in which UBS, Switzerland's largest bank, agreed to buy Credit Suisse in an attempt to rescue the country's second biggest bank, failed to ease banking concerns. Also, the U.S. Federal Reserve, European Central Bank and other major central banks pledged to enhance market liquidity and support other banks. The oil market later retraced some of its earlier losses and remained in negative territory for most of the session before a day rally pushed the market to a high of \$67.70 ahead of the close. The market rebounded as the stock market posted gains amid the possibility that the Federal Reserve will pause rate hikes at its meeting on Wednesday. The April WTI contract settled up 90 cents at \$67.64, while the May Brent contract settled up 82 cents at \$73.79. The product markets ended the session in positive territory, with the heating oil market settling up 94 points at \$2.6871 and the RB market settling up 3.45 cents at \$2.5360.

Technical Analysis: The oil market will remain volatile ahead of the April WTI contract's expiration at the close on Tuesday and as well as the uncertainty in markets over the Fed's looming rate decision on Wednesday. The oil market is seen finding resistance at its high of \$67.90, basis the May contract, followed by \$69.83, \$70.73, \$72.34 and \$72.70. More distant resistance is seen at \$74.67 and \$75.02. Meanwhile, support is seen at \$64.36, \$62.31, \$61.74 and the \$60.00 level.

Fundamental News: IIR Energy reported that U.S. oil refiners are expected to shut in about 1,172,000 bpd of capacity in the week ending March 24th, increasing available refining capacity by 285,000 bpd. Offline capacity is expected to fall to 1,021,000 bpd in the week ending March 31st.

Goldman Sachs Equity Research's Natasha Tiwana said oil prices should take some time to recover after falling on concerns over the banking sector and fears of a recession. Goldman Sachs forecasts Brent at \$94/barrel for the 12 months ahead and at \$97/barrel in the second half of 2024 compared with previous expectations of \$100/barrel, also on the back of higher than expected inventories and lower demand.

The head of the Petroleum Association of Japan, Shunichi Kito, said oil prices could stay under selling pressure for the time being amid risk-off sentiment among investors in light of banking sector turmoil. However, he stated that the losses will likely be capped due to an expected shortfall in global supply in the latter half of this year.

On Monday, Kuwait Oil Co. declared a state of emergency due to an oil leak in the west of the country. The company said production was not affected because of the oil leak and there were no injuries reported.

Libya's Oil Minister, Mohamed Oun, said that approval of the No Oil Producing and Exporting Cartels Act by the U.S. Congress will lead to instability in the international oil market. He said "OPEC+ is trying to achieve the stability of the market via determining the supply quantities not the prices."

Independent energy trading company Vitol said Monday it still looks for the reopening of the Chinese economy and growth in the aviation sector to drive global oil demand higher by 2 million b/d this year. But the company cautioned the global energy markets remain vulnerable to both economic and geopolitical risks. The CEO of the company expects global oil demand will continue to grow annually until around 2030 despite the continued market penetration of electric cars and alternative fuels.

Early Market Call - as of 8:50 AM EDT

WTI - April \$68.94, up \$1.30

RBOB - April \$ 2.5657, up 2.97 cents

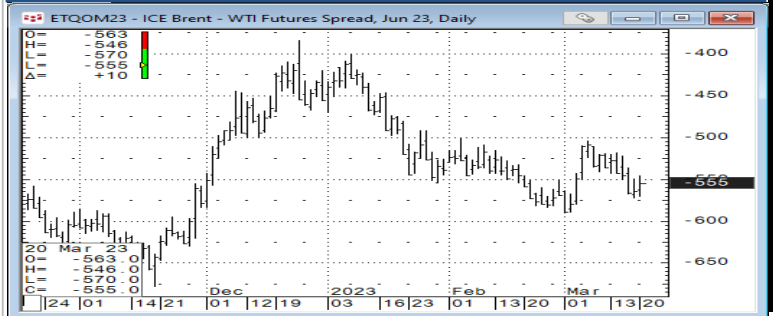
HO - April \$2.6685, down 1.86 cents

All NYMEX | Prior Settlements

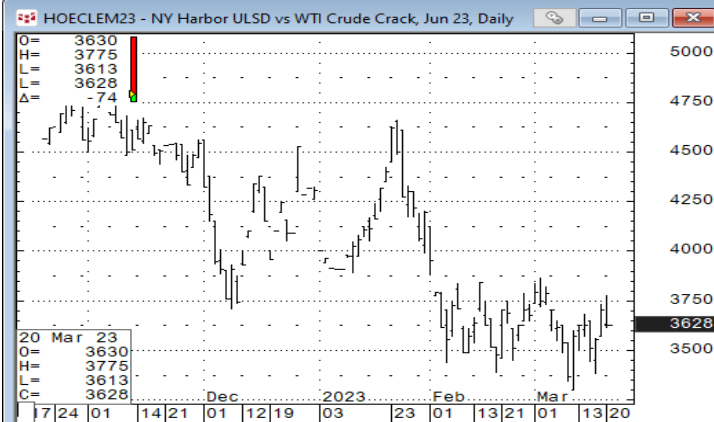
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-23	2.6871	0.0084	-0.0744
May-23	2.5578	0.0106	-0.1272
Jun-23	2.4888	0.0093	-0.1463
Jul-23	2.4645	0.0098	-0.1502
Aug-23	2.4605	0.0105	-0.1475
Sep-23	2.4628	0.0108	-0.1458
Oct-23	2.4646	0.0118	-0.1438
Nov-23	2.4636	0.0121	-0.1411
Dec-23	2.4590	0.0123	-0.1375
Jan-24	2.4569	0.0123	-0.1338
Feb-24	2.4523	0.0123	-0.1297
Mar-24	2.4423	0.0128	-0.1251
Apr-24	2.4264	0.0138	-0.1204
May-24	2.4191	0.0154	-0.1160
Jun-24	2.4135	0.0168	-0.1110
Jul-24	2.4118	0.0173	-0.1045
Aug-24	2.4101	0.0176	-0.0983

Sprague HeatCurve October 2023-April 2024			\$2.4528
		Close	Change
Crude - WTI	May Brent-	\$67.8920	\$0.8900
Crude - Brent	WTI Spread	\$73.7900	\$0.8200
Natural Gas	\$5.90	\$2.2230	-\$0.1150
Gasoline		\$2.5360	\$0.0345

ICE June Brent-WTI Spread



June Heating Oil Crack Spread



June RBOB Crack Spread

