

## Market Commentary

**Recap:** The oil market traded within Friday's trading range during Monday's shortened session and remained range bound on Tuesday. The market rallied to a high of \$77.51 during Monday's session on optimism over Chinese demand, which analysts expect to rebound this year after COVID-19 curbs were scrapped. The market early on Tuesday remained buoyed by the S&P Global's flash Composite Purchasing Managers' Index for the euro zone increasing, pointing to a less gloomy European economic outlook than previously expected. Also, a survey showed businesses in Britain reporting an unexpected increase in activity. The oil market posted a double top at its high of \$77.51 before traders took profits as the market's continued concern about the global economy outweighed any positive economic news and the expectations of a recovery in China. The March WTI contract sold off to a low of \$75.69 ahead of its expiration at the close and settled down 18 cents at \$76.16. Meanwhile, the April WTI contract settled down 19 cents at \$76.36 and the April Brent contract settled down \$1.02 at \$83.05. The product markets ended the session in positive territory, with the heating oil market settling up 7.98 cents at \$2.7919 and the RB market settling up 74 points at \$2.4156.

**Technical Analysis:** The oil market on Wednesday is still seen trading sideways as the market will focus on the release of the minutes of the U.S. Federal Reserve's latest meeting, after recent data raised the risk of interest rates remaining higher for a longer period of time. The April WTI contract is seen remaining in its recent range from \$72.50 to \$83.00. The oil market is seen finding resistance at its high of \$77.74, \$78.40, basis a trendline and a previous high of \$78.50. More distant upside is seen at \$79.76. Meanwhile, support is seen at its low of \$75.94, \$75.75, \$75.32 and \$74.00. More distant support is seen at a previous low of \$74.71.

**Fundamental News:** Genscape reported that crude oil inventories held in Cushing, Oklahoma in the week ending Friday, February 17<sup>th</sup> increased to 42,863,436 barrels, up 872,254 barrels on the week and by 321,249 barrels from Tuesday, February 14<sup>th</sup>.

Diesel imports into Europe from Asia, the Middle East, the U.S. and Russia, before the EU ban on Russian imports took effect on February 5<sup>th</sup>, are set to reach 6.5 million tons in February. This is compared with 7.15 million tons in January. Imports from Asia and the Middle East in February are on course to reach a record of 4.22 million tons. About 5.5 million tons of diesel is already scheduled to arrive in Europe this month compared with 7.73 million tons in January.

Russia's Deputy Prime Minister, Alexander Novak, said that cuts in Russia's oil production in March, when Moscow plans to reduce output by 500,000 bpd, will be from January's level. He said the output cut covers March for now but added that it may be extended. He has stated that Russian crude oil production in January was between 9.8 million bpd and 9.9 million bpd.

Colonial Pipeline Co is allocating space for Cycle 13 shipments on Line 2, its main distillate line from Houston, Texas to Greensboro, North Carolina. This allocation is for the pipeline segment north of Collins, Mississippi. Colonial Pipeline Co is allocating space for Cycle 13 on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

U.S. business activity unexpectedly rebounded in February, reaching its highest level in eight months. The S&P Global said its flash U.S. Composite Purchasing Managers Index Output increased to 50.2 in January from a final reading of 46.8 in January. That ended seven consecutive months of the index being below the 50 mark, which indicates contraction in the private sector.

**Early Market Call - as of 8:10 AM EDT**

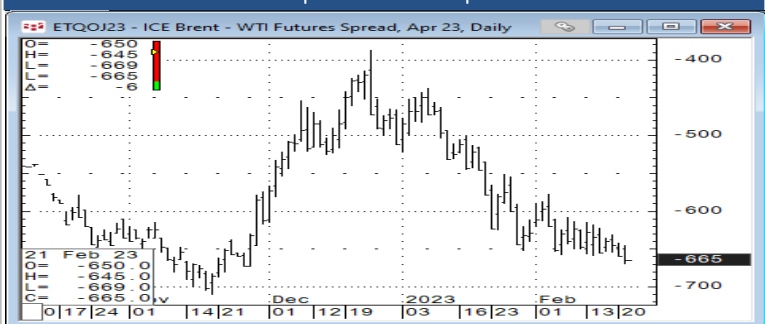
WTI - March \$75.79, down 57 cents  
 RBOB - March \$2.4137, down 19 points  
 HO - March \$2.8042, up 1.23 cents

## All NYMEX | Prior Settlements

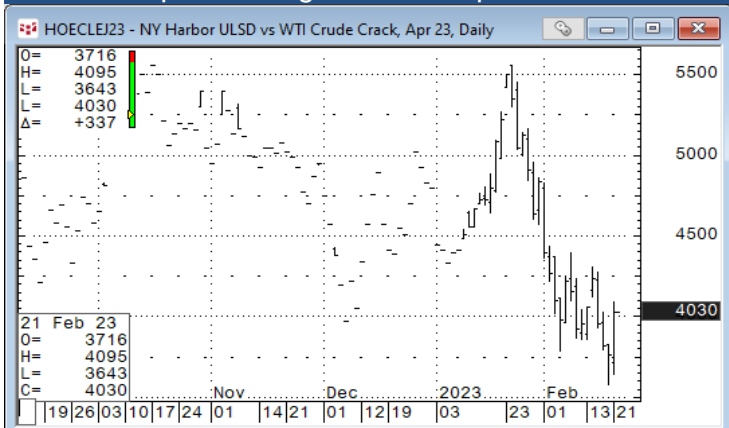
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-23	2.7919	0.0798	-0.1138
Apr-23	2.7736	0.0718	-0.1003
May-23	2.7344	0.0548	-0.0862
Jun-23	2.7009	0.0423	-0.0825
Jul-23	2.6819	0.0339	-0.0814
Aug-23	2.6715	0.0276	-0.079
Sep-23	2.6692	0.0247	-0.0761
Oct-23	2.6658	0.0223	-0.0733
Nov-23	2.6602	0.0206	-0.0697
Dec-23	2.6509	0.0194	-0.0662
Jan-24	2.6431	0.0183	-0.0629
Feb-24	2.6311	0.0166	-0.0617
Mar-24	2.6114	0.0144	-0.061
Apr-24	2.5833	0.0113	-0.0589
May-24	2.5667	0.009	-0.0565
Jun-24	2.5543	0.0081	-0.0526
Jul-24	2.5459	0.007	-0.0527

Sprague HeatCurve October 2023-April 2024			\$2.6357
		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$6.69	\$76.3600	-\$0.1900
Crude - Brent		\$83.0500	-\$1.0200
Natural Gas		\$2.0730	-\$0.2020
Gasoline		\$2.4156	\$0.0074

### ICE April Brent-WTI Spread



### April Heating Oil Crack Spread



### April RBOB Crack Spread

