

## Market Commentary

**Recap:** The crude oil market continued to trend higher on Tuesday following Monday's sharp gains on supply disruption risk from the Iraqi Kurdistan region. Iraq has been forced to halt about 450,000 bpd of its exports from its northern Kurdistan region through Turkey after an arbitration decision confirmed Iraq's consent was needed to ship the oil. The oil market opened relatively unchanged and posted a low of \$72.19 early in the session. However, the market bounced off that level and continued to extend its previous gains. The market was further supported amid reports that traders believe there is some buying of crude to refill the Strategic Petroleum Reserve. The market rallied to a high of \$73.93 by mid-day before it erased some of those gains ahead of the close. The May WTI contract settled up 39 cents at \$73.20, while the May Brent contract settled up 53 cents at \$78.65. The product markets ended the session mixed, with the heating oil market settling down 8 points at \$2.7696 and the RB market settling up 2.79 cents at \$2.7121.

**Market Analysis:** The oil market will retrace some of its gains and look to the weekly petroleum stock reports for further direction, with a small build expected in crude stocks and draws of over 1 million barrels in product stocks. The oil market is seen finding resistance at its high of \$73.93, \$74.38, \$74.51, \$74.67, \$74.90 and \$75.02. Further upside is seen at \$77.56 and \$78.17. Meanwhile, support is seen at \$73.00, its low of \$72.19, \$71.05, \$70.15 and \$69.13. Further support is seen at \$68.66, \$67.70, \$66.82 and \$64.36.

**Fundamental News:** Analysts said French strike action has led to record amounts of crude and condensate sitting idly offshore while the country's crude stocks have plummeted. According to Kpler crude analyst Johannes Rauball, around 17 cargoes carrying crude oil, oil products or chemical products have been floating in French waters for the past week. Bloomberg reported that vessels holding at least 14 million barrels of crude are currently floating off the country's shores. It reported that of the crude currently floating, about 11 million barrels is near Fos, a port on the country's southern coast where key oil terminals are not expected to carry out any tanker cargo operations until at least the end of the month. According to consultancy OilX, France's crude oil stocks have fallen to 40.3 million barrels in March, the lowest since the firm's records began in January 2010. France's refinery intake has fallen to its lowest level since October at 764,000 bpd. Union officials representing workers at TotalEnergies SE and ExxonMobil Corp said there is currently no end date for the strikes.

Barclays said it remains constructive on oil and notes potential upside risk from a protracted disruption in Iraqi Kurdistan region oil exports. It said a disruption in oil exports from the Kurdistan region through the year-end will imply a \$3/barrel upside to its \$92/barrel 2023 price forecast for Brent crude.

Russia's Energy Minister, Nikolai Shulginov, said that the country had managed to successfully re-direct its oil exports to new markets, but added that oil and gas production was expected to decline in 2023.

Colonial Pipeline Co is allocating space for Cycle 20 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.

Exxon Mobil Corp reported operations require flaring at its 369,024 bpd Beaumont, Texas refinery.

Valero Energy Corp issued an all clear after concluding maintenance at its 205,000 bpd Houston, Texas refinery.

### Early Market Call - as of 8:20 AM EDT

WTI - May \$74.08, up 89 cents

RB0B - April \$2.7183, up 62 points

HO - April \$2.7598, down 98 points

## All NYMEX | Prior Settlements

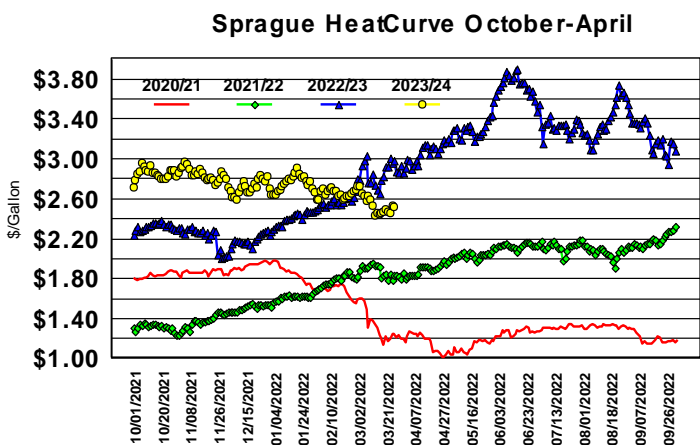
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-23	2.7696	-0.0008	0.0794
Apr-23	2.6461	-0.0054	0.0732
May-23	2.5680	-0.0035	0.0645
Jun-23	2.5455	-0.0028	0.0644
Jul-23	2.5383	-0.0032	0.0613
Aug-23	2.5374	-0.0031	0.0586
Sep-23	2.5365	-0.0029	0.0559
Oct-23	2.5328	-0.0026	0.0531
Nov-23	2.5257	-0.0029	0.0509
Dec-23	2.5216	-0.0035	0.0492
Jan-24	2.5149	-0.0042	0.0473
Feb-24	2.5022	-0.0050	0.0448
Mar-24	2.4824	-0.0059	0.0410
Apr-24	2.4717	-0.0068	0.0381
May-24	2.4636	-0.0072	0.0362
Jun-24	2.4609	-0.0084	0.0351
Jul-24	2.4589	-0.0085	0.0347

Sprague HeatCurve October 2023-April 2024			\$2.5170
		Close	Change
Crude - WTI	May Brent-	\$73.2000	\$0.3900
Crude - Brent	WTI Spread	\$78.6500	\$0.5300
Natural Gas	\$5.45	\$2.0300	-\$0.0580
Gasoline		\$2.7121	\$0.0279

## API Report for the Week Ending March 24, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 6.1 million barrels	Up 100,000 barrels
Gasoline Stocks	Down 5.9 million barrels	Down 1.6 million barrels
Distillate Stocks	Up 550,000 barrels	Down 1.5 million barrels
Refinery Runs		Up 0.6% at 89.2%

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast

