

Market Commentary

Recap: The March WTI contract posted an outside trading day on Tuesday morning, ahead of its expiration at the close, as the market weighed an uncertain outlook for global demand against the risk premium from the continuing Israeli-Hamas conflict. During Monday's shortened trading session in observance of the Presidents' Day holiday, the market rallied to a high of \$79.75 amid the ongoing Middle Eastern geopolitical tensions. Iran-aligned Houthis continued their attacks on shipping lanes in the Red Sea and Bab al-Mandab Strait, with at least four more vessels hit by drone and missile strikes since Friday. The market then traded mostly sideways in overnight trading following the holiday before it breached its previous high and posted a high of \$79.80. However, the market erased its gains and traded to \$78.32 on demand concerns. The March WTI contract later retraced some of its losses before it once again sold off to a low of \$77.67 ahead of its expiration at the close. The expired WTI contract settled down \$1.01 at \$78.18 while the April WTI contract settled down \$1.42 at \$77.04. The product markets ended the session lower, with the heating oil market settling down 7.51 cents at \$2.7315 and the RB market settling down 5.86 cents at \$2.2774.

Technical Analysis: The crude market on Wednesday will likely continue to trend sideways as the market positions itself ahead of the release of the weekly petroleum stocks reports. Technically, the market is seen remaining supported as stochastics are still pointing higher. The market, basis the April contract, is seen finding upside at its high of \$78.52 followed by \$79.09 and \$79.36. Meanwhile, support is seen at \$76.69, \$75.52-\$75.49 and \$73.65.

Fundamental News: At least two air strikes hit an area near the coastal Lebanese town of Ghaziyyeh on Monday, after the Israeli military said it had struck weapons depots near the port city of Sidon. Lebanese state media said the strikes were Israeli and that a car had been hit. Lebanese security sources said the air strikes hit factories and warehouses in an industrial area south of Sidon but it was unclear what was targeted. One source said at least 14 people had been hurt, most of them Syrian workers. Israeli's chief military spokesperson said the air strikes on weapons depots near Sidon were carried out in response to a drone launched into Israel by the Lebanese militant group Hezbollah.

Sources said the Greek-flagged bulk carrier Sea Champion arrived in the southern Yemeni port of Aden on Tuesday after being attacked in the Red Sea in what appeared to have been a mistaken missile strike by the Houthi militia.

Russia's Deputy Prime Minister, Alexander Novak, said Russia intends to fulfil its OPEC+ quota in February despite a decline in oil refining.

Russia's Energy Minister, Nikolai Shulginov, said Russia plans to produce about 523 million metric tons of oil and condensate in 2024.

Russia's Deputy Prime Minister, Alexander Novak, said Russia produced 24 million metric tons of oil offshore in 2023.

A union official said Nigeria's fuel tanker drivers began a strike on Monday over increasing operational costs due to the recent second devaluation of the naira currency within a year and over the state of the country's roads.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.8 million bpd of capacity in the week ending February 23rd, increasing available refining capacity by 500,000 bpd. Offline capacity is expected to fall to 1.2 million bpd in the week ending March 1st.

Early Market Call - as of 8:20 AM EDT

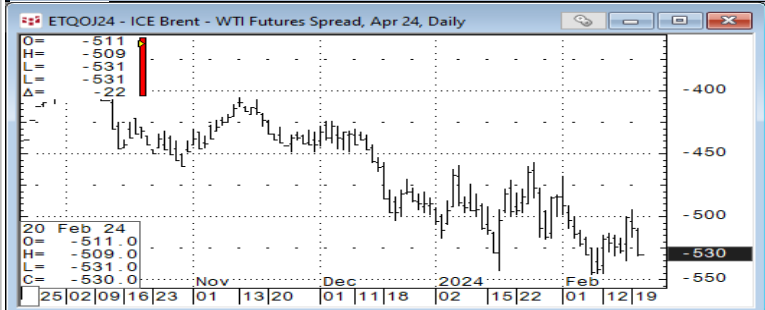
WTI - April \$76.85, down 19 cents
 RBOB - March \$2.2874, up 1 cent
 HO - March \$2.7227, down 88 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	2.7315	-0.0751	-0.1644
Apr-24	2.6787	-0.0734	-0.1498
May-24	2.6058	-0.0700	-0.1378
Jun-24	2.5559	-0.0629	-0.1212
Jul-24	2.5368	-0.0585	-0.1118
Aug-24	2.5260	-0.0546	-0.1043
Sep-24	2.5241	-0.0512	-0.0977
Oct-24	2.5223	-0.0492	-0.0931
Nov-24	2.5142	-0.0479	-0.0876
Dec-24	2.4989	-0.0462	-0.0812
Jan-25	2.4866	-0.0445	-0.0749
Feb-25	2.4701	-0.0428	-0.0686
Mar-25	2.4486	-0.0408	-0.0625
Apr-25	2.4218	-0.0395	-0.0561
May-25	2.4035	-0.0380	-0.0492
Jun-25	2.3879	-0.0367	-0.0438
Jul-25	2.3780	-0.0357	-0.0393

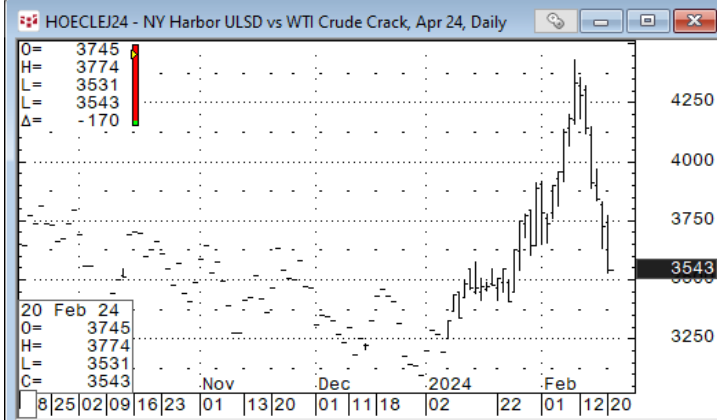
Sprague HeatCurve October 2024-April 2025			\$2.4798
		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.30	\$77.0400	-\$1.4200
Crude - Brent		\$82.3400	-\$1.2200
Natural Gas		\$1.5760	-\$0.0330
Gasoline		\$2.2774	-\$0.0586

ICE April Brent-WTI Spread

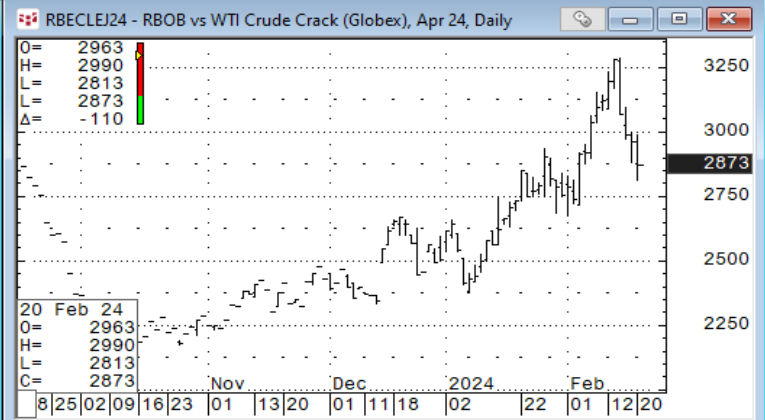


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April Heating Oil Crack Spread



April RBOB Crack Spread



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