

## Market Commentary

**Recap:** On Friday, the oil market posted an outside trading day after it posted an inside trading session on Thursday. It recovered some ground early on Friday following the news of Credit Suisse and First Republic Bank avoided bank failures with support measures that shored up the banks' liquidity. The market posted a high of \$69.64 early in the session before it reversed its early gains and sold off sharply once again. The market sold off more than \$3 to a low of \$65.17 by mid-day following the news that SVB Financial Group said it had filed for reorganization. The oil market later bounced off that level and traded in a sideways trading pattern during the remainder of the session. The April WTI contract settled down \$1.61 or 2.4% at \$66.74, the lowest settlement since December 3, 2021. It fell nearly \$10 or 13% on the week, the largest weekly decline since April 1, 2022. Meanwhile, the May Brent contract settled down \$1.73 or 2.32% at \$72.97 for a weekly decline of 11.85%. The product markets ended mixed, with the heating oil market settling up 3.52 cents at \$2.6787 and the RB market settling down 20 ticks at \$2.5015.

**Technical Analysis:** The crude oil market is technically oversold but will continue to trend lower as the banking sector fears continue to pressure the markets. The crude market is seen finding support at its low of \$65.17 followed by more distant support at \$63.05, \$62.43, \$61.74 and the \$60 level. Meanwhile, resistance is seen at its high of \$69.64, \$69.87, \$71.19, \$71.32, \$72.56, \$72.77, \$73.06, \$73.13 and \$74.90.

**Fundamental News:** U.S. energy firms this week added the most natural gas rigs in a week in over four years, leading to an increase in the combined oil and gas rig count for the first time in five weeks. Baker Hughes reported that the oil and gas rig count increased by eight to 754 in the week ending March 17<sup>th</sup>. It reported that oil rigs fell by one to 589 this week, while gas rigs increased by nine to 162.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1,457,000 bpd of capacity in the week ending March 17<sup>th</sup>, increasing available refining capacity by 447,000 bpd. It also reported that offline capacity is expected to fall to 1,172,000 bpd in the week ending March 24<sup>th</sup>.

Bloomberg reported that Saudi Arabia is importing millions of barrels of diesel from Russia, despite having more than enough of its own. Saudi Arabia is the world's top crude exporter and a significant seller of petroleum products. However, according to Kpler data compiled by Bloomberg, it imported almost 2.5 million barrels of diesel-type fuel from Russia in the first 10 days of March, far more than at any other time in the last six years.

BofA Global Research said revisions in Russian refinery maintenance scheduled provide upside risks for the next OPEC+ meeting.

The Organization for Economic Cooperation and Development said the global economic outlook has improved from a few months ago as the inflation shock eases. However, rising interest rates will keep risks high. The OECD said that after growth last year of 3.2%, the world economy is on course to expand 2.6% as central bank tightening takes full effect. It raised its forecast for global growth from 2.2% in its last Economic Outlook in November, citing a decline in energy and food prices and China's easing of its anti-COVID restrictions. Looking to next year, global growth was expected to accelerate to 2.9%, compared with a November forecast of 2.7%, as the hit to household incomes from high energy prices faded. The OECD forecast that inflation in the Group of 20 major economies would fall from 8.1% last year to 5.9% this year and further decline to 4.5% in 2024, still well above targets despite interest rate hikes by many central banks. The OECD forecast that U.S. economic growth would slow from 1.5% this year to 0.9% next year as higher interest rates cooled demand.

### Early Market Call - as of 8:55 AM EDT

WTI - April \$66.68, down 6 cents

ROBO - April \$2.5229, up 2.11 cents

HO - April \$2.7083, up 2.92 cents

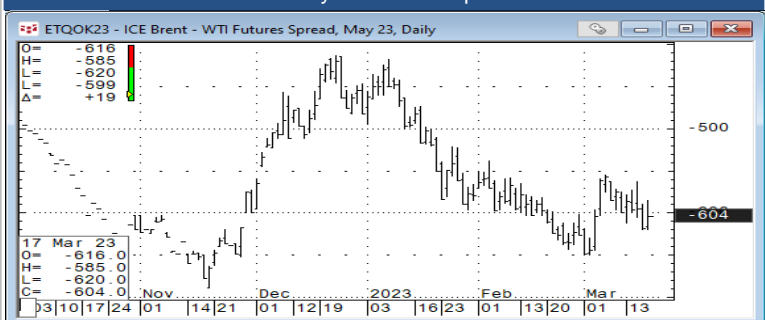
## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-23	2.6787	0.0352	-0.0942
May-23	2.5472	0.0114	-0.1716
Jun-23	2.4795	-0.0001	-0.1968
Jul-23	2.4547	-0.0046	-0.2039
Aug-23	2.4500	-0.0036	-0.2015
Sep-23	2.4520	-0.0038	-0.1987
Oct-23	2.4528	-0.0045	-0.1966
Nov-23	2.4515	-0.0049	-0.1939
Dec-23	2.4467	-0.0053	-0.1901
Jan-24	2.4446	-0.0052	-0.1853
Feb-24	2.4400	-0.0048	-0.1794
Mar-24	2.4295	-0.0045	-0.1731
Apr-24	2.4126	-0.0049	-0.1664
May-24	2.4037	-0.0053	-0.1608
Jun-24	2.3967	-0.0057	-0.1540
Jul-24	2.3945	-0.0055	-0.1461
Aug-24	2.3925	-0.0049	-0.1385

### Sprague HeatCurve October 2023-April 2024

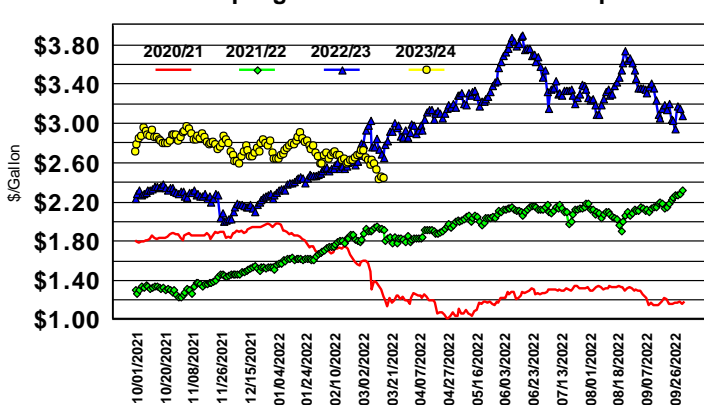
	Close	Change
Crude - WTI	\$66.9300	-\$1.5900
Crude - Brent	\$72.9700	-\$1.7300
Natural Gas	\$2.3380	-\$0.1760
Gasoline	\$2.5015	-\$0.0020

### ICE May Brent-WTI Spread

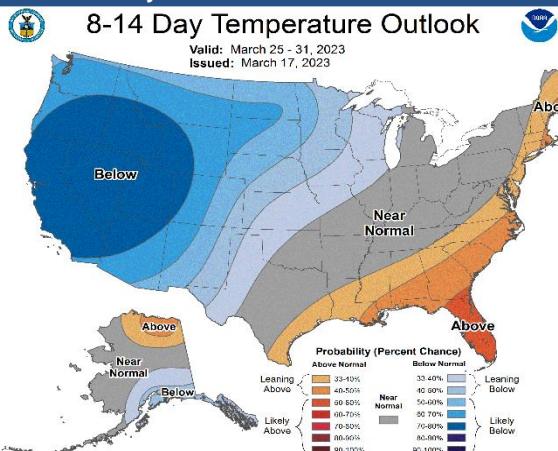


## Sprague HeatCurve October-April

### Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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