

## Market Commentary

**Recap:** The oil market extended its gains for a second consecutive day on Tuesday as global banking concerns eased and traders await the outcome of the Federal Reserve's monetary policy meeting that started on Tuesday. The oil market posted its low of \$66.77 in overnight trading before it continued to retrace more of its previous losses ahead of the April contract's expiration at the close. The expiring contract traded to \$69.35 early in the session and settled in a sideways trading range before further buying ahead of the close pushed the market to a high of \$69.60. The April WTI settled up \$1.69 at \$69.33, while the May WTI contract settled up \$1.85 at \$67.67 after it posted a high of \$69.77 ahead of the close. The May Brent contract settled up \$1.53 at \$75.32. Meanwhile, the product markets ended the session slightly higher, with the heating oil market settling up 31 points at \$2.6902 and the RB market settling up 29 cents at \$2.5389.

**Market Analysis:** The crude market will likely continue to trade higher amid the expectations that the weekly petroleum stocks reports will show draws across the board. However its gains may be limited as the market awaits the impending interest rate decision by the Federal Reserve on Wednesday afternoon. The market expects a rate increase of 25 basis points, down from previous expectations of a 50 basis point increase. The oil market is seen finding resistance at its high of \$69.66, basis the new spot contract, \$69.83, \$70.73, \$72.34 and \$72.70. Further upside is seen at \$74.67 and \$75.02. Meanwhile, support is seen at \$68.19, \$67.94, its low of \$66.90 and \$64.36. More distant support is seen at \$62.31, \$61.74 and the \$60.00.

**Fundamental News:** The French government said France started tapping into strategic fuel reserves amid strikes by workers at refineries and depots that have cut production and blocked deliveries. The Energy Ministry said "The ministry has been ensuring the release of strategic reserves in a targeted way since the start of March."

Iraq's Oil Ministry quoted OPEC Secretary-General, Haitham Al Ghais, as saying that the OPEC deal has contributed in addressing challenges and difficulties that global markets face. The Secretary General added OPEC's most important target is to achieve stability and balance between supply and demand.

Goldman Sachs' head of commodities, Jeff Currie, said the bank expects a commodities supercycle driven by China and the capital flight from energy markets in this month's banking crisis. He said the banking crisis is more of a supply hit rather than a demand hit on commodities.

Commerzbank lowered its oil price forecast for mid-year to \$80/barrel from a previous forecast of \$95/barrel. It said it sees a price increase to \$90/barrel by year's end, down from a previous forecast of \$100/barrel. It said oil prices were however still likely to remain on upward trajectory due to a supply shortfall, which is expected to grow this year.

The CEO of Gunvor, Torbjorn Tornqvist, said he expected oil prices to move higher towards the end of the year as increasing Chinese demand tightens oil balances further. He said he did not see much demand growth coming from outside of China. He also said that a price cap on Russian crude and oil products imposed by the G7, the European Union and Australia was working "relatively well".

Hedge fund manager Pierre Andurand of Andurand Capital said the recent fall in oil prices due to banking concerns is speculative and oil will hit \$140/barrel by the end of the year.

**Early Market Call - as of 8:30 AM EDT**

WTI - May \$69.38, down 29 cents  
 RBOB - April \$2.5394, up 5 points  
 HO - April \$2.7216, up 3.14 cents

## All NYMEX | Prior Settlements

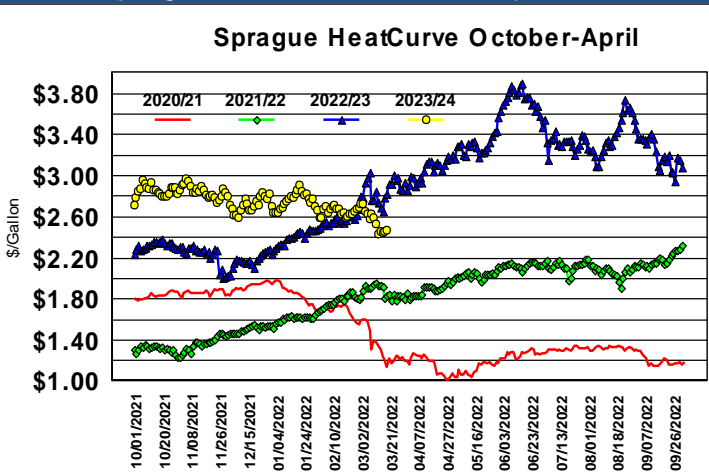
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-23	2.6902	0.0031	-0.0242
Apr-23	2.5729	0.0151	-0.0514
May-23	2.5035	0.0147	-0.0668
Jun-23	2.4811	0.0166	-0.0700
Jul-23	2.4770	0.0165	-0.0679
Aug-23	2.4788	0.0160	-0.0668
Sep-23	2.4806	0.0160	-0.0649
Oct-23	2.4797	0.0161	-0.0623
Nov-23	2.4748	0.0158	-0.0599
Dec-23	2.4724	0.0155	-0.0574
Jan-24	2.4676	0.0153	-0.0541
Feb-24	2.4574	0.0151	-0.0500
Mar-24	2.4414	0.0150	-0.0457
Apr-24	2.4336	0.0145	-0.0424
May-24	2.4274	0.0139	-0.0386
Jun-24	2.4258	0.0140	-0.0344
Jul-24	2.4242	0.0141	-0.0295

Sprague HeatCurve October 2023-April 2024			\$2.4683
		Close	Change
Crude - WTI	May Brent-WTI Spread \$5.65	\$69.6700	\$1.8500
Crude - Brent		\$75.3200	\$1.5300
Natural Gas		\$2.3480	\$0.1250
Gasoline		\$2.5389	\$0.0029

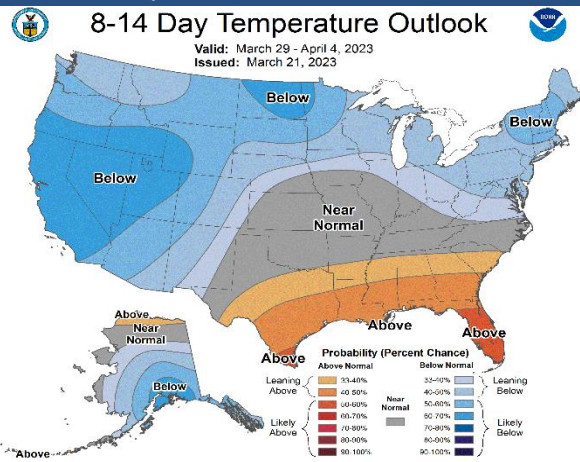
### API Report for the Week Ending March 17, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 3.3 million barrels	Down 1.6 million barrels
Gasoline Stocks	Down 1.1 million barrels	Down 1.7 million barrels
Distillate Stocks	Down 1.8 million barrels	Down 1.5 million barrels
Refinery Runs		Up 1% at 89.2%

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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