

Market Commentary

Recap: Oil futures tumbled on Wednesday, paring gains so far this month amid supply disruptions stemming from Russia's invasion of Ukraine. April WTI fell 12%, or \$15, to settle at \$108.7 a barrel, its worst day since November 26, after topping \$130 per barrel earlier in the week. Brent for May delivery also fell 13% or 16.8 to \$111.1, for its biggest one-day drop since April 2020. Brent touched \$139 on Monday, its highest since 2008. The move in oil lower came amid indications of possible progress by the U.S. in encouraging more oil production from other sources. Reuters reported that Iraq said it could increase output if OPEC+ asks. Secretary of State Antony Blinken also signaled that UAE would support increased production by OPEC+. April heating oil closed down 21.9% on Wednesday, biggest one-day percentage drop since hitting a record -32.4% in January 1991. April RBOB closed down 10.6% on Wednesday, biggest one-day percentage decline since November 2021.

Technical Analysis: The chaotic movements are likely only to continue with uncertainty so high about the war in Ukraine and its ultimate economic fallout. The region is key to markets because it's a major producer of oil, wheat and other commodities, whose prices have spiked on worries about disruptions to supplies. On Wall Street, the gains were broad-based, with nearly 90% of the stocks in the S&P 500 rising, led by technology companies. Some of the strongest moves came from airlines, travel companies and other stocks that bounced back from steep drops on worries about fuel costs and the economy. Today's market activity in crude oil indicates that this market may be falling into range bound territory, as traders assess the impact of the UAE's offer to pump more crude oil on global supply. The news is a potentially bullish game changer especially if it encourages other OPEC members to increase production. This could put a short term cap on prices and create volatile range bound trading. The minor range for this market is currently \$130.50 to \$103.63, with a retracement zone of \$117.07 to \$20.25 for an upside target.

Fundamental News: The head of the International Energy Agency, Fatih Birol, said the agency could release more oil from stocks to ease increasing fuel prices and will draw up an action plan to swiftly reduce oil usage. He told an energy conference in Paris that "Next week, as we did for gas, we are coming up with a 10-point action plan how to reduce oil in a hurry." The head of the IEA described the 60 million barrels as "an initial response", adding: "It is only 4% of our stocks. If there's a need, if our governments decide so, we can bring more oil to the markets, as one part of the response." On Tuesday, the United States imposed an immediate ban on Russian oil and other energy imports.

Iranian semi-official ISNA news agency reported that Iran's chief negotiator in nuclear talks with world powers in Vienna, Ali Bagheri Kani, returned to the Austrian capital on Wednesday morning after consultations in Tehran.

Britain's Business Secretary, Kwasi Kwarteng, said G7 energy ministers will meet on Thursday to discuss what more the West can do to reduce its dependence on Russian oil and gas. Britain has said it will phase out imports of Russian oil and oil products by the end of 2022 and consider banning its natural gas, joining other countries including the United States in a move to punish Moscow over its invasion of Ukraine.

UBS said a prolonged war between Ukraine and Russia could sent Brent crude prices above \$150/barrel.

Saudi Aramco has notified at least six North Asian buyers that it will supply full contractual volumes of crude oil in April. Saudi Arabia has been maintaining steady supplies to its key consuming region since OPEC+ started easing supply cuts in August.

IIR Energy reported that U.S. oil refiners are expected to shut in 943,000 bpd of capacity in the week ending March 11th, cutting available refining capacity by 237,000 bpd. Offline capacity is expected to increase to 1.02 million bpd in the week ending March 18th.

Early Market Call - as of 8:50 AM EDT

WTI - Apr \$114.28, up \$5.58

RBOB - Apr \$3.4140, up 11.94 cents

HO - Apr \$3.7191, up 25.19 cents

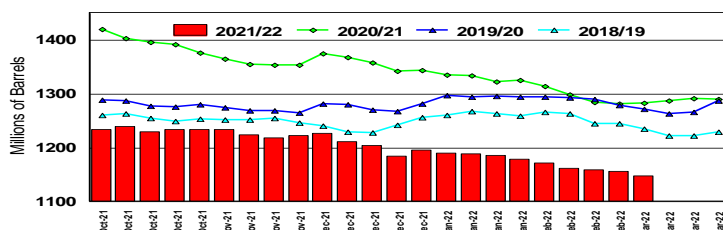
All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.4643	-0.9730	-0.0304
May-22	3.3344	-0.8011	0.0106
Jun-22	3.2197	-0.6399	0.0592
Jul-22	3.1256	-0.4875	0.0949
Aug-22	3.0505	-0.4073	0.1069
Sep-22	2.9783	-0.3788	0.0347
Oct-22	2.9064	-0.3535	0.0249
Nov-22	2.8396	-0.3256	-0.0133
Dec-22	2.7850	-0.2953	-0.0398
Jan-23	2.7470	-0.2698	-0.0504
Feb-23	2.7202	-0.2565	-0.0507
Mar-23	2.6885	-0.2452	-0.0536
Apr-23	2.6501	-0.2360	-0.0605
May-23	2.6184	-0.2277	-0.0648
Jun-23	2.5951	-0.2161	-0.0637
Jul-23	2.5801	-0.2120	-0.0657
Aug-23	2.5659	-0.2088	-0.0691

Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	May Brent- WTI Spread \$6.09	\$105.0500	-\$14.6000
Crude - Brent		\$111.1400	-\$16.8400
Natural Gas		\$4.5260	-\$0.0010
Gasoline		\$3.2938	-\$0.3888

Total U.S. Oil Stocks

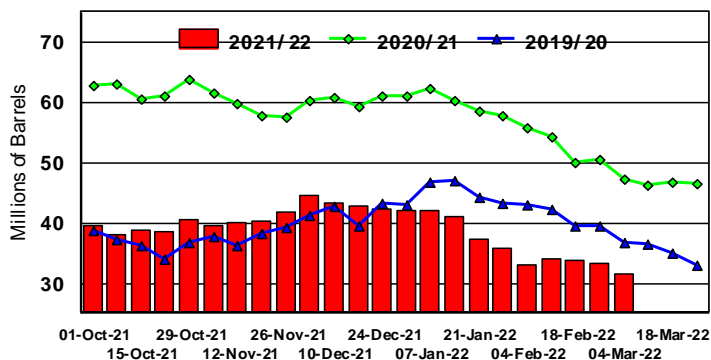
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending March 4, 2022

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.863 million barrels

Cushing, OK Crude Stocks Down 585,000 barrels

Gasoline Stocks Down 1.405 million barrels

Distillate Stocks Down 5.23 million barrels

Refinery % Operated 89.3%, Up 1.6%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 4, 2022	Week Ending Feb 25, 2022	Week Ending Mar 5, 2021
New England	5.5	6.0	9.0
Central Atlantic	15.0	16.5	25.9
Total PADD #1	31.5	33.2	47.2
Distillate Imports (thousands b/d)	213	388	416