

Market Commentary

Recap: The crude market ended slightly higher after traders took some profits following last week's rally. The oil market erased some of its previous gains amid the news that the Israeli military said on Monday it had conducted a "series of strikes" on southern Gaza that have now "concluded," days after Israeli Prime Minister Benjamin Netanyahu rejected a ceasefire proposal from Hamas. The market sold off to a low of \$75.54 early in the session. However, logistics disruptions in the Red Sea continued on Monday with Yemen-based Houthis saying they had targeted a cargo ship in the Red Sea, which they claimed was American. The crude market bounced off its low and traded to a high of \$77.09 by mid-morning. However, the market erased some of those gains and settled in a range from \$76.50 to \$77.00 during the remainder of the session. The March WTI contract ended the session, up 8 cents at \$76.92, while the April Brent contract settled down 19 cents at \$82.00. The product markets ended the session mixed, with the heating oil market settling up 5 points at \$2.9196 and the RB market settling up 2.78 cents at \$2.3673.

Technical Analysis: The oil market on Tuesday will likely continue to trend sideways as its losses will remain limited by concerns over situation in the Middle East. While Israel's Prime Minister said the attacks on southern Gaza had concluded, a ceasefire agreement remains elusive and the attacks by the Yemen-based Houthis on vessels in the Red Sea continued. The crude market is seen finding support at its low of \$75.54 followed by \$75.04, \$74.35, \$73.66 and \$73.56. Further support is seen at \$73.23, \$72.38 and \$71.41. Meanwhile, resistance is seen at \$77.09, \$77.29, \$78.11-\$78.14 and \$79.29. Further upside is seen at \$79.56 and \$80.08.

Fundamental News: Saudi Aramco's CEO, Amin Nasser, said he is not in agreement there will be peak demand. He said Saudi Arabia expects demand for oil of 104 million bpd in 2024 and 105 million bpd in 2025.

Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, said the country has plenty of spare oil production capacity, after the world's biggest oil exporter announced unexpected plans late last month to scale back its long-term capacity expansion plans and target a maximum sustained production capacity of 12 million bpd. He said that the kingdom had a "huge cushion" of spare oil capacity in case of major disruptions to global supplies caused by conflict or natural disasters.

The U.S. EIA said in its monthly Drilling Productivity Report that U.S. oil output from top shale-producing regions will increase in March to its highest in four months. It said production from the top basins will increase by nearly 20,000 bpd to 9.7 million bpd, its highest since December. Oil output in the Permian basin is expected to increase by about 14,000 bpd to 6.1 million bpd, the second highest monthly output on record after November. Production in the Eagle Ford basin is expected to increase to 1.1 million bpd, the highest since September. In the Bakken, output was set to increase to 1.2 million bpd, the highest since December.

Iraq's Oil Minister, Hayan Abdel-Ghani, said the country is committed to OPEC decisions and after its second voluntary cut announced in December it is also committed to producing no more than 4 million bpd. Iraq's current crude oil exports range between 3.35 million and 3.4 million bpd. The oil minister said talks with international oil companies operating in Iraqi Kurdistan are making progress towards resolving a dispute which has halted Iraq's northern oil exports.

The UAE Energy Minister, Suhail Mohamed Al Mazrouei, said the United Arab Emirates is committed to work with partners at OPEC+ to study the oil market and take suitable decisions to guarantee its stability.

Early Market Call - as of 8:30 AM EDT

WTI - March \$77.62, up 70 cents

RBOB - March \$2.3822, up 1.49 cents

HO - March \$2.9369, up 1.73 cents

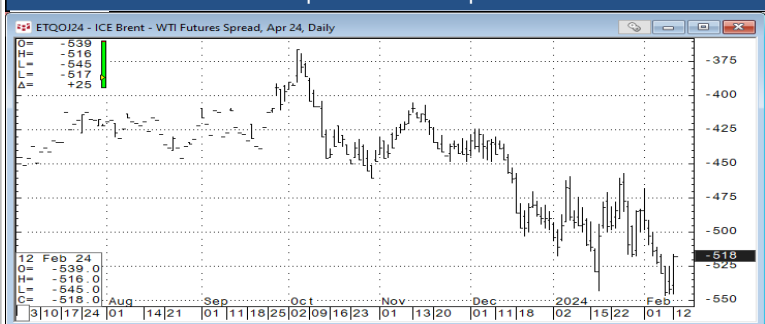
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	\$2.9196	-\$0.0446	\$0.1948
Apr-24	\$2.8377	-\$0.0336	\$0.1778
May-24	\$2.7440	-\$0.0257	\$0.1541
Jun-24	\$2.6743	-\$0.0178	\$0.1374
Jul-24	\$2.6446	-\$0.0099	\$0.1295
Aug-24	\$2.6260	-\$0.0062	\$0.1219
Sep-24	\$2.6191	-\$0.0057	\$0.1150
Oct-24	\$2.6151	-\$0.0073	\$0.1090
Nov-24	\$2.6031	-\$0.0086	\$0.1022
Dec-24	\$2.5818	-\$0.0100	\$0.0946
Jan-25	\$2.5628	-\$0.0109	\$0.0878
Feb-25	\$2.5400	-\$0.0119	\$0.0802
Mar-25	\$2.5121	-\$0.0118	\$0.0732
Apr-25	\$2.4781	-\$0.0124	\$0.0646
May-25	\$2.4527	-\$0.0127	\$0.0579
Jun-25	\$2.4313	-\$0.0127	\$0.0526
Jul-25	\$2.4161	-\$0.0136	\$0.0478

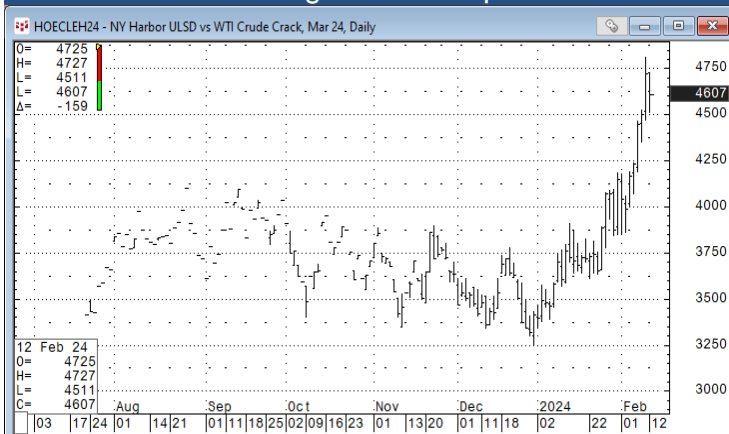
Sprague HeatCurve October 2024-April 2025

	Close	Change
Crude - WTI	\$76.8200	\$0.0500
Crude - Brent	\$82.0000	-\$0.1900
Natural Gas	\$1.7680	-\$0.0790
Gasoline	\$2.3673	\$0.0278

ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread

