

## Market Commentary

**Recap:** On Thursday, the oil market rebounded from earlier losses and ended the session higher on the back of a weak dollar. The market traded lower in overnight trading as it remained pressured following the larger than expected build of over 12 million barrels reported in U.S. crude stocks on Wednesday by the EIA. The market was further pressured by the IEA noting a marked slowdown in global oil demand growth. The IEA cut its 2024 growth forecast to 1.22 million bpd from a previous forecast of 1.24 million bpd. The crude market sold off to a low of \$75.78 early the morning on the bearish demand growth forecast. However, the market later bounced off its low and retraced its earlier losses as it rallied to a high of \$78.44 after the release of weak U.S. retail sales data prompted a sell-off in the dollar. The crude market retraced some of its gains and traded mostly sideways ahead of the close. The March WTI contract settled up \$1.39 at \$78.03 and the April Brent contract settled up \$1.26 at \$82.86. Meanwhile, the product markets also ended the session higher, with the heating oil market settling up 1.36 cents at \$2.8237 and the RB market settling up 14 points at \$2.3183.

**Technical Analysis:** The crude market will likely settle in a sideways trading range as it weighs recent inventory report and the IEA report against the continuing situation in the Middle East. Technically, its stochastics are still trending higher. The market is seen finding support at its low of \$75.78, \$75.54, \$75.09 and \$74.22. More distant support is seen at \$73.56, \$73.23, \$72.38 and \$71.41. Meanwhile, resistance is seen at its high of \$78.37, \$78.77, \$79.29 followed by \$79.56 and \$80.08.

**Fundamental News:** The International Energy Agency said global oil demand growth is losing momentum, as it cut its 2024 growth forecast. It said the pace of expansion is set to decelerate to 1.22 million bpd in 2024, about half of 2.3 million bpd growth seen last year, in part due to a sharp slowdown in Chinese consumption. It had previously forecast 2024 demand growth of 1.24 million bpd. On the supply side, IEA raised its projection for 2024, estimating supply will grow by 1.7 million bpd to 103.8 million, driven by non-OPEC+ supply, versus its previous forecast of 1.5 million bpd. The agency cited supply from producers outside OPEC and allies that make up the wider OPEC+ group of producers. The IEA said global market balances tightened in January despite apparent demand weakness, driven by supply outages in the U.S., Canada and new voluntary cuts by some OPEC+ countries. It said given a strong outlook for non-OPEC+ supply, it expects a slight build in inventories in the first quarter, despite the OPEC+ cuts. The IEA also reported that OPEC+ crude oil output from all 22 member countries fell by 330,000 bpd to 41.52 million bpd in January. The IEA sees demand for OPEC+ crude plus inventories averaging 41.2 million bpd in the first quarter before increasing to 41.5 million bpd in the second quarter.

The U.S. Energy Department said the Biden administration has awarded Strategic Petroleum Reserve contracts for 2.95 million barrels of oil worth about \$229.5 million to four companies.

In response to a statement by the United States Department of Justice, Iran said it will reciprocate if its ships are seized. Earlier this month, the Department of Justice issued a statement announcing the seizure of more than 500,000 barrels of Iranian fuel to crack down on the "Revolutionary Guards' financing network".

The United Kingdom Maritime Trade Operations agency said it had received a report of an incident 85 nautical miles east of Yemen's port city of Aden. Separately, a spokesman for Yemen's Iran-aligned Houthis said they fired naval missiles at the British ship LYCAVITOS in the Gulf of Aden.

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

WTI - March \$77.79, down 24 cents

RBOB - March \$2.2888, down 2.95 cents

HO - March \$2.7671, down 5.66 cents

## All NYMEX | Prior Settlements

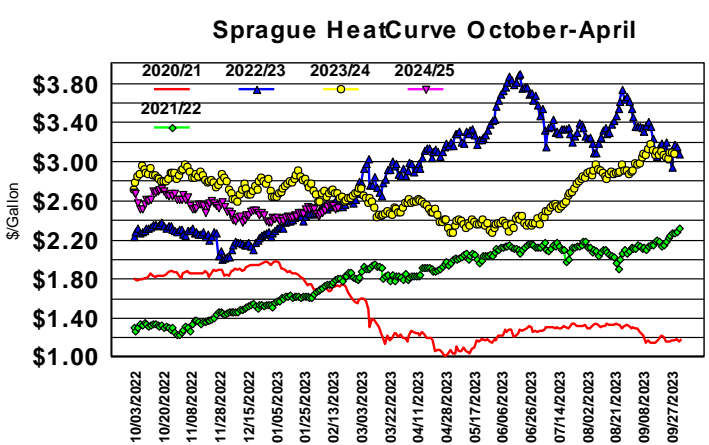
| Month  | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
|        | Close     | Change       | One Week  |
| Mar-24 | 2.8237    | 0.0136       | -0.0671   |
| Apr-24 | 2.7650    | 0.0103       | -0.0497   |
| May-24 | 2.6862    | 0.0078       | -0.0385   |
| Jun-24 | 2.6258    | 0.0073       | -0.0296   |
| Jul-24 | 2.6005    | 0.0079       | -0.0208   |
| Aug-24 | 2.5837    | 0.0078       | -0.0171   |
| Sep-24 | 2.5764    | 0.0079       | -0.0181   |
| Oct-24 | 2.5713    | 0.0080       | -0.0217   |
| Nov-24 | 2.5605    | 0.0088       | -0.0235   |
| Dec-24 | 2.5425    | 0.0098       | -0.0237   |
| Jan-25 | 2.5273    | 0.0108       | -0.0221   |
| Feb-25 | 2.5080    | 0.0114       | -0.0209   |
| Mar-25 | 2.4833    | 0.0116       | -0.0189   |
| Apr-25 | 2.4540    | 0.0121       | -0.0158   |
| May-25 | 2.4317    | 0.0124       | -0.0136   |
| Jun-25 | 2.4132    | 0.0132       | -0.0108   |
| Jul-25 | 2.4011    | 0.0141       | -0.0087   |

| Sprague HeatCurve October 2024-April 2025 |           | \$2.5201  |
|-------------------------------------------|-----------|-----------|
|                                           | Close     | Change    |
| Crude - WTI                               | \$77.5900 | \$1.2300  |
| Crude - Brent                             | \$82.8600 | \$1.2600  |
| Natural Gas                               | \$1.5810  | -\$0.0280 |
| Gasoline                                  | \$2.3183  | \$0.0014  |

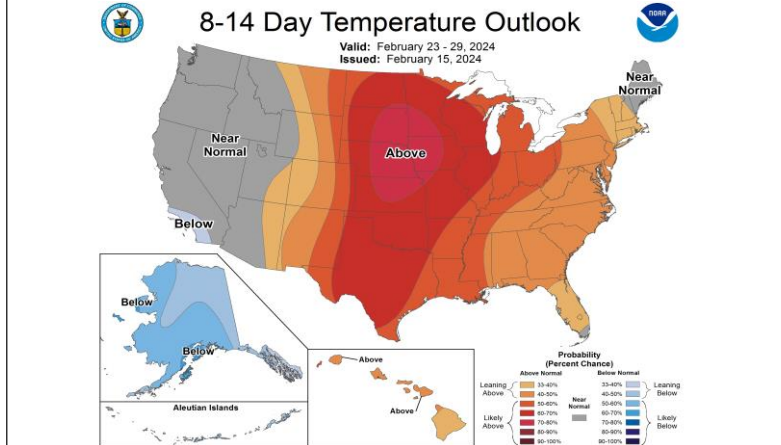
### EIA Working Gas Storage Report

|               | 09-Feb-24 | 02-Feb-24 | Change | 09-Feb-23 |
|---------------|-----------|-----------|--------|-----------|
| East          | 536       | 568       | -32    | 502       |
| Midwest       | 662       | 689       | -27    | 607       |
| Mountain      | 178       | 183       | -5     | 115       |
| Pacific       | 222       | 228       | -6     | 122       |
| South Central | 936       | 916       | 20     | 934       |
| Salt          | 271       | 257       | 14     | 263       |
| Nonsalt       | 665       | 659       | 6      | 671       |
| Total         | 2535      | 2584      | -49    | 2,280     |

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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