

Market Commentary

Recap: The oil market sold off to its lowest level in more than a year as a brewing banking crisis could impact global economic growth. In overnight trading, the oil market retraced some of its previous losses and posted a high of \$72.56 amid an increase in China's economic activity in the first two months of the year. However, early signs of a return to calm faded after Credit Suisse's largest investor, the Saudi National Bank, said it would not provide the Swiss bank more assistance, sending its shares and other European equities lower. It also raised concern over the state of the global banking system less than a week after two U.S. regional banks failed. The crude market erased its gains and sold off sharply throughout the session, extending its losses to over \$5.60 as it posted a low of \$65.65 in afternoon trading as the selloff in bank shares stoked fears of a recession. The April WTI contract later bounced off its low ahead of the close and settled down \$3.72 or 5.2% at \$67.61, the lowest level since December 3, 2021 and the largest one-day percentage decline in more than two months. The May Brent contract settled down \$3.76 or 4.85% to \$73.69. The product markets ended the session sharply lower, with the heating oil market settling down 10.95 cents at \$2.6049 and the RB market settling down 11.46 cents at \$2.4384.

Technical Analysis: The oil market is seen retracing some of its losses as the Swiss National Bank said it would provide Credit Suisse with liquidity if necessary, helping avert another bank failure. However, the market, which breached its support at \$70, may continue to trend lower amid fears of a recession as it awaits the Federal Reserve's rate decision next week. Support is seen at \$62.43 and \$61.74. Meanwhile, resistance is seen at \$70.17, \$71.49, \$71.56, its high of \$72.56, \$72.95, \$73.30, its previous low of \$74.90 and \$75.10.

Fundamental News: The International Energy Agency said global oil demand is increasing slowly but is set for a large increase from resumed air travel and China's economic reopening after the end of its COVID-19 curbs. The IEA said "Rebounding jet fuel use and a resurgent China will see an overall 1Q-4Q ramp-up of 3.2 million bpd, the largest relative in-year increase since 2010." The agency kept its forecasts for Chinese and global demand relatively steady from the previous month, at 16 million bpd and 102 million bpd, respectively. The IEA said that oil supply is still outstripping relatively slow demand, but added that the market is set to balance by around the middle of the year with China and developing countries driving demand. The IEA warned that high inflation and investor concerns over high interest rates cloud the economic horizon and could pose a risk to fuel demand, adding that concerns over the health of the U.S. banking sector also carried potential downside risks. The IEA also stated that global oil stocks are at nearly 7.8 billion barrels, the highest level since September 2021. In regards to Russia, the IEA said the country's oil exports fell by more than 500,000 bpd to 7.5 million bpd in February. Its oil revenue fell by \$2.7 billion on the month to \$11.6 billion or nearly half of pre-war levels. Russian oil production remained near pre-war levels in February. It said much of the supply overhang reflected Russian supply seeking new destinations after European Union bans.

Bloomberg reported that Saudi Arabia believes its economy can decouple from oil that crude prices soon will not be a decisive factor in shaping fiscal policy.

Algeria's Energy Minister, Mohamed Arkab, said he is "extremely attentive" to recent developments in financial markets and the short and medium term impact on oil markets.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1,314,000 bpd of capacity in the week ending March 17th, increasing available refining capacity by 61,000 bpd. Offline capacity is expected to fall to 1,157,000 bpd in the week ending March 24th.

Early Market Call - as of 8:45 AM EDT

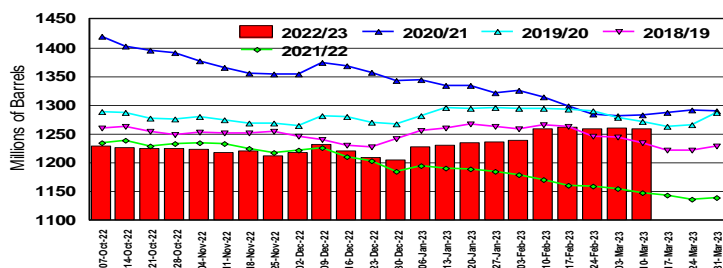
WTI - April \$67.67, up 6 cents
 RBOB - April \$2.4353, down 31 points
 HO - April \$2.5586, down 4.63 cents

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-23	2.6049	-0.1095	-0.137
May-23	2.5065	-0.1178	-0.2003
Jun-23	2.4548	-0.1155	-0.2173
Jul-23	2.4371	-0.114	-0.221
Aug-23	2.4324	-0.1125	-0.2208
Sep-23	2.435	-0.1106	-0.2182
Oct-23	2.4365	-0.109	-0.2158
Nov-23	2.4354	-0.1066	-0.2127
Dec-23	2.4308	-0.1039	-0.2086
Jan-24	2.429	-0.1008	-0.2035
Feb-24	2.4248	-0.0969	-0.1971
Mar-24	2.4146	-0.0928	-0.1901
Apr-24	2.3986	-0.0885	-0.1821
May-24	2.3925	-0.0835	-0.175
Jun-24	2.3873	-0.0787	-0.1698
Jul-24	2.385	-0.0752	-0.1641
Aug-24	2.3826	-0.0711	-0.1571

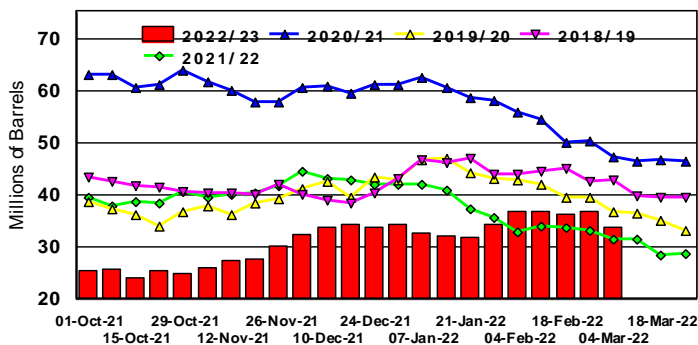
Sprague HeatCurve October 2023-April 2024		\$2.4249
	Close	Change
Crude - WTI	\$67.7400	-\$3.7500
Crude - Brent	\$73.6900	-\$3.7600
Natural Gas	\$2.4390	-\$0.1340
Gasoline	\$2.4384	-\$0.1146

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending March 10, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 1.55 million barrels
 Cushing, OK Crude Stocks Down 1.916 million barrels
Gasoline Stocks Down 2.061 million barrels
Distillate Stocks Down 2.537 million barrels
Refinery % Operated 88.2%, up 2.2%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Mar 10, 2023	Week Ending Mar 3, 2023	Week Ending Mar 11, 2022
New England	4.6	4.3	5.7
Central Atlantic	17.3	19.0	14.9
Total PADD #1	33.8	36.6	31.5
Distillate Imports (thousands b/d)	146	121	202