

Market Commentary

Recap: The oil market remained pressured on Tuesday following the market's sharp sell off on Monday after U.S. President Donald Trump predicted that the war in the Middle East could end soon, lowering expectations of prolonged disruptions to oil supply. The oil market retraced some of Monday's losses as it posted a high of \$91.48 in overnight trading. However, the market erased its gains and extended its losses to over \$18 as it posted a low of \$76.73 in afternoon trading on the news that the head of the IEA, Fatih Birol, convened an extraordinary meeting of the group to assess market conditions, while the Group of Seven nations asked the agency to prepare scenarios for the release of emergency oil stockpiles. The market was further pressured after U.S. Energy Secretary said the U.S. Navy had successfully escorted an oil tanker through the Strait of Hormuz. The market later bounced off its low ahead of the close following reports that there was no U.S. escort of an oil tanker through the Strait of Hormuz. The April WTI contract ended the session down \$11.32 at \$83.45 and the May Brent contract ended the day down \$11.16 at \$87.80. The product markets also settled sharply lower, with the heating oil market settling down 24 cents at \$3.3466 and the RB market settling down 16.81 cents at \$2.6403.

Technical Analysis: The crude market on Wednesday is seen trending sideways, barring a major announcement. The market is seen holding its support at its lows as production shut ins are expected to continue, with current shut ins totaling more than 5 million bpd so far. It should be noted that while President Trump signaled a short-lived war, Iran's Revolutionary Guards said they would not allow oil to be exported from the region if the U.S. and Israeli attacks continued. Shipping along the Strait of Hormuz will remain halted so long as passage through the waterway is deemed unsafe and so far the U.S. Navy has not been able to provide tankers with military escorts due to the risks. Also, even if the war ended soon, oil supplies would not immediately return to the market. The oil market is seen finding support at \$76.73, \$74.97, \$73.28, \$70.41 and \$69.20 to \$67.83. Meanwhile, resistance is seen at \$91.48, \$93.06, \$98.11, \$100.00, \$103.15, \$104.85, \$107.41, \$116.75, its high of \$119.48, and \$130.50.

Fundamental News: The EIA said Brent oil prices are set to remain above \$95/barrel over the next two months as conflict in the Middle East rages on. Brent crude futures will then fall below \$80/barrel in the third quarter of 2026, before falling to around \$70/barrel by the end of the year. The effective closure of the critical chokepoint, the Strait of Hormuz, through which a fifth of global oil flows every day, will cause Mideast oil output to fall further in the coming weeks. The EIA added that those production shut-ins will gradually ease as transit resumes. It said higher oil prices are set to lead to more U.S. oil output and expects U.S. oil production to average 13.6 million bpd in 2026 and increase by 220,000 bpd to 13.83 million bpd in 2027. The new forecast represents an increase of about 500,000 barrels from the agency's previous forecast. It raised U.S. retail gasoline prices by 43 cents from a previous forecast to \$3.34/gallon in 2026 and \$3.18/gallon in 2027. It raised its retail diesel price forecast for 2026 to \$4.12/gallon, up 20.1% from its previous estimate.

The U.S. EIA reported that U.S. crude oil exports fell by 3% in 2025 from 2024, the first annual decrease since 2021. The U.S. exported 4.0 million bpd of crude oil, 85 times as much as in 2011, but slightly less than in 2023 and 2024. The EIA also noted U.S. exports decreased to Europe and the Asia and Oceania region, the two top regional destinations for U.S. crude oil. It added exports to Europe decreased by 7%, likely because increased output from OPEC replaced volumes from the U.S., while exports declined by 75% to Singapore and 89% to China. The annual decrease in exports comes despite a 3% increase in crude oil production to a record 13.6 million bpd. U.S. net imports of crude oil decreased to 2.2 million bpd in 2025 from 2.5 million bpd in 2024.

Early Market Call - as of 8:45 AM EDT

WTI - Apr \$87.52, up \$1.13

RBOB - Apr \$2.7884, up 9.42 cents

HO - Apr \$3.6683, up 26.98 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-26	\$3.3466	-\$0.2400	\$0.1597
May-26	\$3.1271	-\$0.2422	\$0.1494
Jun-26	\$2.9355	-\$0.2215	\$0.0994
Jul-26	\$2.8348	-\$0.1860	\$0.0790
Aug-26	\$2.7760	-\$0.1599	\$0.0815
Sep-26	\$2.7321	-\$0.1330	\$0.0835
Oct-26	\$2.6930	-\$0.1057	\$0.0868
Nov-26	\$2.6446	-\$0.0818	\$0.0854
Dec-26	\$2.5881	-\$0.0621	\$0.0756
Jan-27	\$2.5594	-\$0.0534	\$0.0709
Feb-27	\$2.5349	-\$0.0495	\$0.0674
Mar-27	\$2.5010	-\$0.0471	\$0.0610
Apr-27	\$2.4628	-\$0.0440	\$0.0559
May-27	\$2.4349	-\$0.0416	\$0.0527
Jun-27	\$2.4143	-\$0.0399	\$0.0519
Jul-27	\$2.4040	-\$0.0407	\$0.0522
Aug-27	\$2.3981	-\$0.0410	\$0.0524

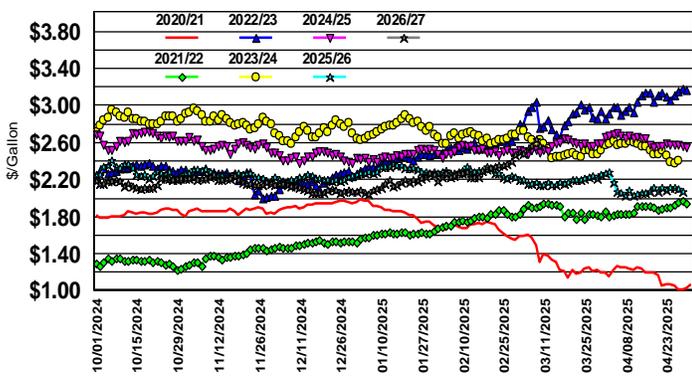
Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	May Brent-WTI Spread \$5.70	\$82.1000	-\$9.3800
Crude - Brent		\$87.8000	-\$11.1600
Natural Gas		\$3.0200	-\$0.1000
Gasoline		\$2.6403	-\$0.1681

API Report for the Week Ending March 6, 2025

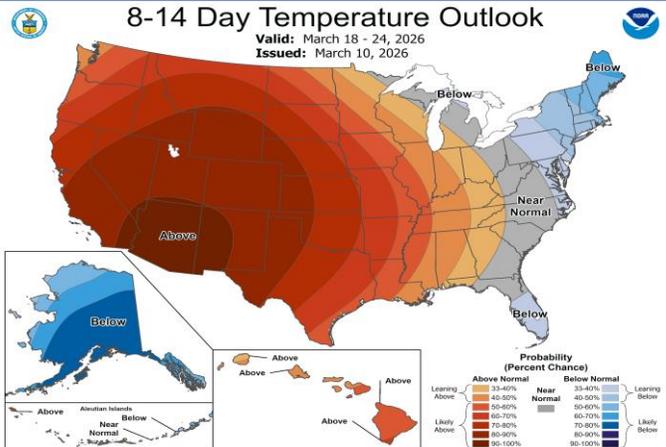
	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 1.68 million barrels	Up 1.1 million barrels
Gasoline Stocks	Down 1.84 million barrels	Down 2.6 million barrels
Distillate Stocks	Down 2.26 million barrels	Down 700,000 barrels
Refinery Runs		Up 0.3%, at 89.5%

Sprague HeatCurve

Sprague HeatCurve October-April



Weather Forecast



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.