

Market Commentary

Recap: The crude market posted an inside trading on Tuesday but settled higher following Monday's volatile trading session. The market was well supported as the market remained concerned over supplies from the Middle East as Iran denied it had talks with the U.S. to end the war, contradicting U.S. President Donald Trump, who said on Monday that a deal to end the war could be reached soon. While President Trump seemed determined to reach a deal with Iran, sources stated that it was unlikely that Iran would agree to U.S. demand in any rounds of negotiations. The crude market posted a low of \$88.50 in overnight trading and retraced some of Monday's sharp losses throughout the session. It extended its gains to over \$5.20 as it posted a high of \$93.36 ahead of the close. The May WTI contract settled up \$4.22 at \$92.35. However, the market sold off sharply in the post settlement period and posted a low of \$86.34 following reports that the U.S. was seeking a month-long ceasefire to discuss a plan to end the war. The May Brent contract settled up \$4.55 at \$104.49. The product markets ended the session sharply higher, with the heating oil market settling up 23.49 cents at \$4.2909 and the RB market settling up 17.31 cents at \$3.1480.

Technical Analysis: The oil market on Wednesday will remain driven by the latest headlines regarding the U.S.-Israeli war with Iran following the reports that the U.S. sent a plan to Iran to end the war. It will have to be seen whether Iran will agree to the demands put forth by the Trump administration as some have been a red line in previous negotiations and their negotiating posture has reportedly hardened. The U.S. is demanding that Iran decommission its enrichment plants in Nantz, Isfahan and Fordow and that no nuclear material is enriched in Iran. It also demands a free maritime zone in the Strait of Hormuz and the funding of proxies in the region. The market will also continue to look for developments on the news that the U.S. is expected to send thousands of more troops to the Middle East and the possibility of a further escalation as Saudi Arabia and the UAE have taken steps to join the war. The crude market is seen finding support at \$88.50, \$84.37, \$80.60, \$75.64, followed by \$73.79 and \$72.19. Meanwhile, resistance is seen at \$93.36, \$95.03, \$101.67, \$102.44 and \$113.41.

Fundamental News:

The Financial Times reported that Iran has told International Maritime Organization member states that "non-hostile vessels" may transit the Strait of Hormuz if they coordinate with Iranian authorities.

Bloomberg reported that Iran has started charging transit fees on some commercial vessels passing through the Strait of Hormuz, another sign of Tehran's control over the world's most important maritime energy channel.

The Wall Street Journal reported that Saudi Arabia and the UAE have taken steps toward joining the Iran war, potentially signaling an escalation of the fighting. Saudi Arabia agreed to give the U.S. military access to the King Fahd Air Base, an apparent reversal after saying its bases couldn't be used to attack Iran. The newspaper also reported that the UAE closed an Iranian-owned hospital and club, undercutting a key source of support for Tehran. The newspaper also said videos apparently showed that some missiles used in attacks on Iran were launched from Bahrain.

The Trump administration will release its 2026-27 biofuel blending volumes obligations this week. Sources said the rule will not differ materially from volumes proposed by the EPA prior to the onset of the Iran war.

Chevron CEO, Mike Wirth, said energy markets are not adequately pricing the oil supply shock caused by the war in Iran. He said based on the amount of supply that has been taken offline and the amount of infrastructure damage, crude futures should be higher.

ConocoPhillips Chief Executive Officer, Ryan Lance, sees the oil market flipping into contango from its current backwardation.

Early Market Call - as of 8:10 AM EDT

WTI - Apr \$87.14, down \$1.25
 RBOB - Apr \$2.9366, down 10.32 cents
 HO - Apr \$3.8697, down 29.42 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-26	\$4.2909	\$0.2349	\$0.2751
May-26	\$4.0133	\$0.2601	\$0.2105
Jun-26	\$3.5932	\$0.2228	\$0.1861
Jul-26	\$3.3823	\$0.1825	\$0.1912
Aug-26	\$3.2496	\$0.1636	\$0.1805
Sep-26	\$3.1646	\$0.1527	\$0.1617
Oct-26	\$3.0956	\$0.1465	\$0.1445
Nov-26	\$3.0231	\$0.1427	\$0.1317
Dec-26	\$2.9490	\$0.1406	\$0.1231
Jan-27	\$2.9034	\$0.1391	\$0.1138
Feb-27	\$2.8626	\$0.1364	\$0.1070
Mar-27	\$2.8096	\$0.1331	\$0.1009
Apr-27	\$2.7531	\$0.1289	\$0.0973
May-27	\$2.7102	\$0.1252	\$0.0912
Jun-27	\$2.6760	\$0.1204	\$0.0847
Jul-27	\$2.6580	\$0.1163	\$0.0807
Aug-27	\$2.6440	\$0.1123	\$0.0766

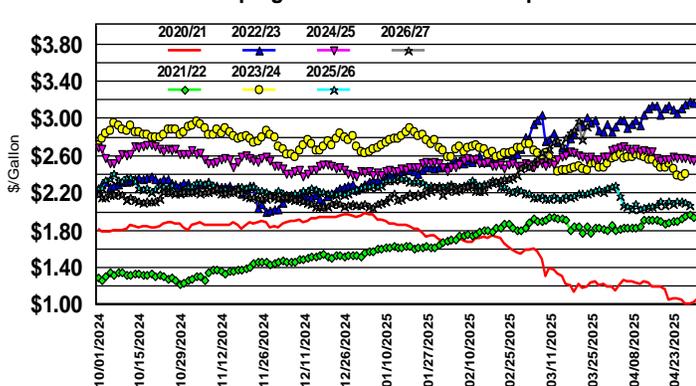
Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	May Brent-WTI Spread \$12.14	\$92.3500	\$4.2200
Crude - Brent		\$104.4900	\$4.5500
Natural Gas		\$2.9430	\$0.0520
Gasoline		\$3.1480	\$0.1731

API Report for the Week Ending March 20, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 2.35 million barrels	Up 500,000 barrels
Gasoline Stocks	Up 528,000 barrels	Down 1.3 million barrels
Distillate Stocks	Up 1.39 million barrels	Down 2.1 million barrels
Refinery Runs		Up 0.4%, at 91.4%

Sprague HeatCurve

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve

