

Market Commentary

Recap: The oil market traded lower on Monday as uncertainty around the timing of U.S. interest rate cuts weighed on the market. The market is awaiting the release of a possible higher than expected consumer price index reading on Tuesday, which could muddy the path for monetary policy. The market was also pressured ahead of monthly reports due this week from the IEA, OPEC and the EIA. The crude market retraced some of Friday's losses in overnight trading before it sold off to a low of \$76.79 early in the session. It later retraced its early losses and posted a high of \$78.47 by mid-day and settled in a sideways trading range as traders took a wait and see stance ahead of the data expected this week. The April WTI contract ended the session down 8 cents at \$77.93 and the May Brent contract settled up 13 cents at \$82.21. The product markets ended the session higher, with the heating oil market settling up 1.09 cents at \$2.6518 and the RB market settling up 5.33 cents at \$2.5805.

Technical Analysis: The oil market on Tuesday will be driven by the economic news as the market awaits the release of the CPI data in the morning. While the market has shifted its focus to economic reports and monthly oil market reports expected this week, the crude market will also look to further news on the situation in the Middle East. The oil market, which retraced more than 38% of its move from a low of \$71.49 to a high of \$80.85, is seen finding support at \$76.79, \$76.17, \$75.84, \$75.52-\$75.49 and \$75.07. Meanwhile, resistance is seen at \$78.47, \$79.99, \$80.67, \$80.85, \$81.50, \$82.00 and \$82.61.

Fundamental News: Citi Research reiterated its 0-3 month price target of \$80/barrel for Brent, while it updated its first quarter price forecast to \$81/barrel from a previous forecast of \$78/barrel. It extended its near-term neutral-to-moderately bearish view through the second quarter due to larger than expected supply disruptions during the first quarter and ongoing tensions in the Middle East.

S&P Global Commodities at Sea is estimating Northwest Europe is expected to receive 3.13 million mt of diesel and gasoil in March, up 8.3% from February. The three largest source of these imports are The U.S., India and Saudi Arabia.

The EIA said U.S. crude oil production lead global oil production for a sixth consecutive year, with a record breaking average production of 12.9 million bpd. In December, U.S. crude oil production reached a new monthly record high of over 13.3 million bpd. The EIA said it is unlikely that the record will be broken by another country in the near term.

S&P Global analysts are forecasting U.S. crude oil production growth while slowing in 2024 will still reach 13.97 million b/d by December 2024. The analysts warned though if WTI prices fall below \$65 per barrel for an extended period, producers may reduce the activity levels to protect their cash flows.

Source stated that Saudi Aramco plans to meet full contractual crude oil volumes to most Asian buyers in April, but will reduce supply of heavier oil to Chinese and Indian customers due to oilfield maintenance.

IIR Energy said U.S. oil refiners are expected to shut in about 1.3 million bpd of capacity in the week ending March 15th, increasing available refining capacity by 393,000 bpd. Offline capacity is expected to fall to 999,000 bpd in the week ending March 22nd.

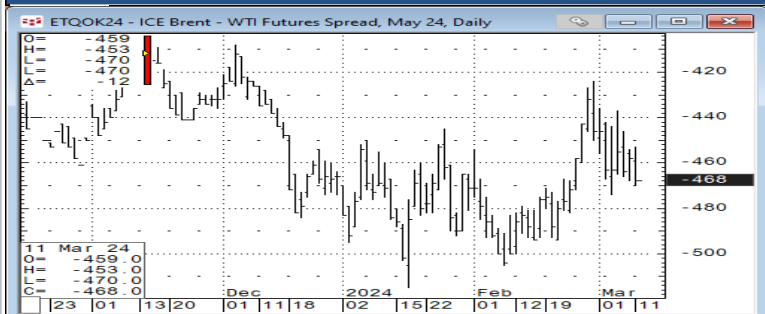
Early Market Call - as of 8:15 AM EDT
WTI - April \$77.93, unchanged
RBOB - April \$2.5734, down 71 points
HO - April \$2.6465, down 53 points

All NYMEX | Prior Settlements

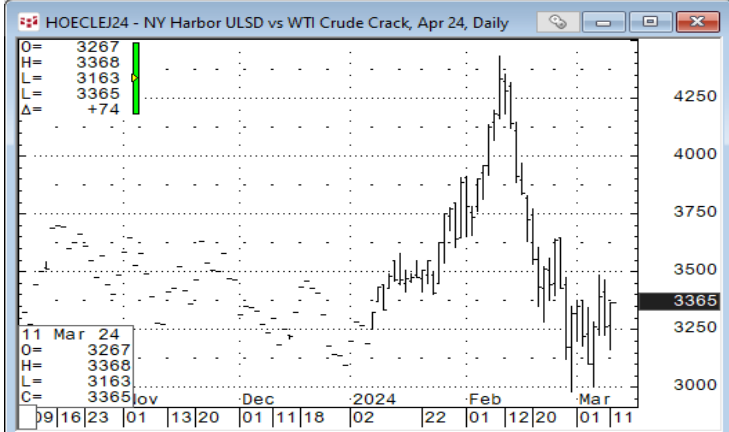
| Month | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Apr-24 | 2.6518 | 0.0109 | 0.0046 |
| May-24 | 2.6061 | 0.0166 | 0.0089 |
| Jun-24 | 2.5708 | 0.0177 | 0.0098 |
| Jul-24 | 2.5567 | 0.0185 | 0.0082 |
| Aug-24 | 2.5501 | 0.0192 | 0.0079 |
| Sep-24 | 2.5510 | 0.0194 | 0.0089 |
| Oct-24 | 2.5502 | 0.0195 | 0.0106 |
| Nov-24 | 2.5424 | 0.0193 | 0.0112 |
| Dec-24 | 2.5272 | 0.0188 | 0.0106 |
| Jan-25 | 2.5161 | 0.0186 | 0.0117 |
| Feb-25 | 2.5005 | 0.0186 | 0.0119 |
| Mar-25 | 2.4801 | 0.0187 | 0.0113 |
| Apr-25 | 2.4550 | 0.0195 | 0.0122 |
| May-25 | 2.4369 | 0.0200 | 0.0126 |
| Jun-25 | 2.4217 | 0.0208 | 0.0138 |
| Jul-25 | 2.4119 | 0.0212 | 0.0152 |
| Aug-25 | 2.4048 | 0.0216 | 0.0167 |

| Sprague HeatCurve October 2024-April 2025 | | | \$2.5097 |
|---|--------------------------------|-----------|-----------|
| | | Close | Change |
| Crude - WTI | May Brent-WTI Spread \$4.68 | \$77.5300 | \$0.0300 |
| Crude - Brent | | \$82.2100 | \$0.1300 |
| Natural Gas | | \$1.7590 | -\$0.0460 |
| Gasoline | | \$2.5805 | \$0.0533 |

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

