

Market Commentary

Recap: The oil market posted an inside trading day on Thursday as it weighed expectations that U.S. interest rate cuts could be delayed against supportive Chinese trade data and increased tensions in the Middle East after the first fatal attack on Red Sea shipping. U.S. Federal Reserve Chairman Jerome Powell's statement that continued progress on lowering inflation "is not assured" continued to weigh on market sentiment. The crude market posted a low of \$78.02 by mid-morning. However, it bounced off its low and rallied to a high of \$79.53 in afternoon trading. The market's losses were limited by the continuing tension in the Middle East. The oil market later erased some of its gains ahead of the close. The April WTI contract settled down 20 cents at \$78.93, while the May Brent contract settled unchanged at \$82.96. The product markets ended in positive territory, with the heating oil market settling up 3.14 cents at \$2.6947 and the RB market settling up 9 points at \$2.5548.

Technical Analysis: The crude market is seen continuing its sideways trading pattern as the market weighs the economic news against the geopolitical concerns. The market is awaiting updates on a ceasefire in Gaza ahead of the Muslim holy month of Ramadan. The oil market is seen finding support at its lows of \$78.02, \$77.99, \$77.52, \$77.27 and \$77.17. Further support is seen at \$76.17, \$75.84, \$75.52-\$75.49 and \$75.07. Meanwhile, resistance is seen at its highs of \$79.53 \$80.67, \$80.85, \$81.50, \$82.00 and \$82.61.

Fundamental News: According to Kuwait Petroleum Corp's Chief Executive Officer, Sheikh Nawaf al-Sabah, global oil consumption is strong and the market looks relatively balanced this year as OPEC+ tries to stabilize prices. He said the market is expected to tighten further as the year goes on. He added that U.S. shale production has helped meet some of the recent growth in demand. He sees room for growth in both OPEC+ production and U.S. shale production in the long-term as consumption increases. He said Kuwait plans to increase production capacity to 4 million bpd by 2035. In regards to Kuwait's new Al-Zour refinery, he said the refinery's operating rate has been increased to its full capacity of 615,000 bpd, producing mostly diesel-like fuels. It is selling mostly distillates from the refinery, with most product going to Europe.

The head of the IEA's oil markets and industry division, Toril Bosoni, said the global oil market is relatively well supplied this year with demand growth slowing, while supply is increasing from the Americas. She said the IEA expects "relatively calm markets" even though OPEC recently decided to extend supply cuts.

Palestinian militant group Hamas said its delegation left Cairo on Thursday during ongoing negotiations for a temporary ceasefire with Israel, making it unlikely a deal will be reached before the start of the Muslim holy month of Ramadan.

India's navy evacuated all 20 crew from a stricken vessel in the Red Sea on Thursday, after a Houthi attack killed three seafarers in the first civilian fatalities from the militant group's campaign against the key shipping route. The Iran-aligned militants fired a missile at the Barbados-flagged, Greek-operated True Confidence on Wednesday about 50 nautical miles off the southern Yemeni port of Aden, setting it ablaze.

S&P Global Commodity Insights is forecasting some 2.0-2.1 million b/d of U.S. refining capacity will be offline in March, basically unchanged from the 2.05 million b/d of capacity offline in February.

Early Market Call - as of 8:40 AM EDT

WTI - April \$78.71, down 22 cents
 RBOB - April \$2.5489, down 59 points
 HO - April \$2.6690, down 2.57 cents

All NYMEX | Prior Settlements

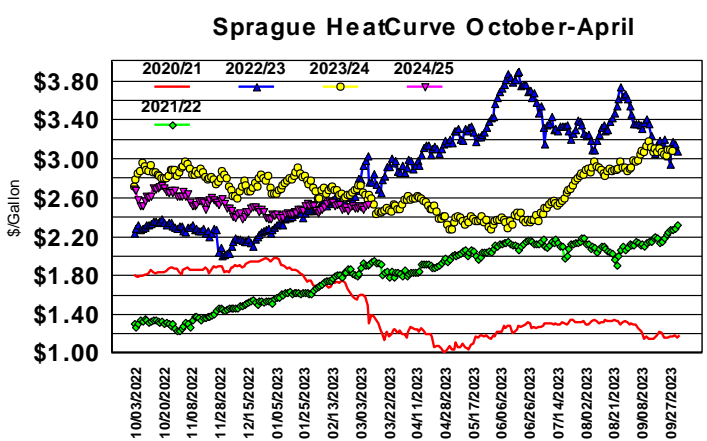
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6947	0.0314	0.0448
May-24	2.6329	0.0214	0.0375
Jun-24	2.5907	0.0186	0.0340
Jul-24	2.5718	0.0164	0.0309
Aug-24	2.5622	0.0148	0.0307
Sep-24	2.5622	0.0137	0.0326
Oct-24	2.5612	0.0129	0.0350
Nov-24	2.5534	0.0126	0.0358
Dec-24	2.5382	0.0120	0.0345
Jan-25	2.5262	0.0117	0.0340
Feb-25	2.5096	0.0110	0.0316
Mar-25	2.4877	0.0105	0.0278
Apr-25	2.4596	0.0098	0.0240
May-25	2.4392	0.0086	0.0207
Jun-25	2.4218	0.0078	0.0186
Jul-25	2.4107	0.0072	0.0168
Aug-25	2.4025	0.0067	0.0160

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.64	\$78.3200	-\$0.0900
Crude - Brent		\$82.9600	unchanged
Natural Gas		\$1.8180	-\$0.1110
Gasoline		\$2.5548	\$0.0009

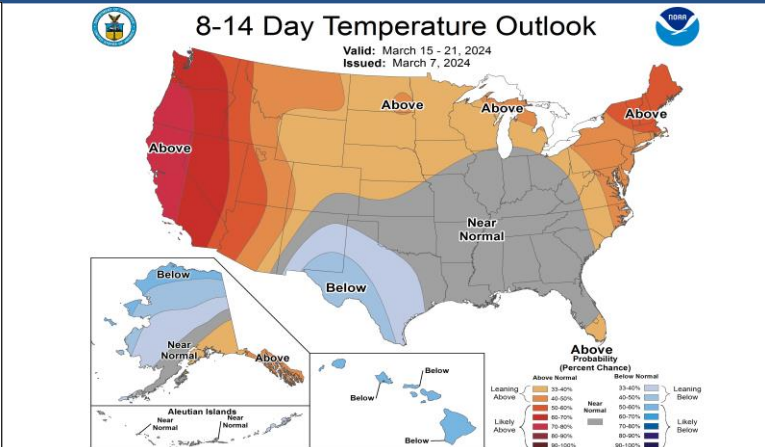
EIA Working Gas Storage Report

	01-Mar-24	23-Feb-24	Change	01-Mar-23
East	422	453	-31	426
Midwest	575	600	-25	523
Mountain	169	169	0	94
Pacific	219	217	2	86
South Central	949	935	14	924
Salt	285	275	10	261
Nonsalt	664	660	4	663
Total	2334	2374	-40	2,054

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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