

Market Commentary

Recap: The oil market extended its gains on Thursday amid the IEA outlook suggesting a tighter oil market. The IEA raised its demand growth forecast and lowered its supply projection for this year. It forecast demand will increase by 1.3 million bpd in 2024, up 110,000 from its previous forecast, while it cut its supply forecast and now expects oil supply to increase by 800,000 bpd to 102.9 million bpd this year. The oil market posted a low of \$79.57 on the opening on Wednesday and continued on its upward trend. The market, which was well supported by the IEA outlook, extended its gains to \$1.90 as it rallied to a high of \$81.62 in afternoon trading. The market later traded in a sideways trading range ahead of the close. The April WTI contract settled up \$1.54 at \$81.26, while the May Brent contract settled up \$1.39 at \$85.42. The product market also continued its upward trend, with the heating oil market settling up 2.37 cents at \$2.7088 and the RB market settling up 4.18 cents at \$2.7033.

Technical Analysis: The crude market on Friday is seen retracing some of its sharp gains before it continues on its upward trend after it breached its previous highs. The market will remain supported by the latest demand outlooks, with the IEA stating that it now expects a slight deficit this year. The oil market is seen finding resistance at its high of \$81.62 followed by \$82.00, \$82.61, \$83.71 and \$84.66. Meanwhile, support is seen at its low of \$79.57, \$77.57, \$77.34, \$76.79 and \$76.56. More distant support is seen at \$75.84, \$75.52-\$75.49 and \$75.36.

Fundamental News: The IEA said the settling down of post-pandemic turbulence and a cloudy economic outlook will rein in demand growth this year, even as shipping disruptions provide a short-term increase. The IEA sees growth this year at 1.3 million bpd, down a full million bpd from 2023, but up by 110,000 bpd from its previous month's forecast as Houthi attacks in the Red Sea have helped lengthen supply routes. Global oil demand will average a record 103.2 million bpd this year. The IEA sees global oil demand growth in the first quarter of 2024 increasing by 270,000 bpd to 1.7 million bpd. It said oil on water reached 1.9 billion barrels, the second highest level since the height of the pandemic. Meanwhile, global on-land oil stocks fell for a seventh month the lowest level since at least 2016. It said that if the OPEC+ voluntary cuts are held through 2024, it sees the market in a slight deficit rather than a surplus.

Analysts said U.S. motorists are likely to see gasoline prices move higher in the coming weeks as major refinery outages have cut supplies ahead of a seasonal increase in demand. According to data from the motorist group AAA, the national average price for a gallon of gasoline has increased more than 9% from the start of the year to around \$3.40/gallon since March 8th, the highest since early November.

S&P Global Commodities at Sea data shows that diesel shipments from the Middle East to Europe averaged 374,000 b/d in February, up from the 318,000 b/d shipped in January. These shipments are expected to grow further in March as refinery operations in Saudi Arabia and Kuwait continue to rise this month. Oman's diesel exports to Europe this month are already running at double the pace they were in February.

The EIA forecast that near-term global oil and liquids production growth will be driven primarily by the U.S., Guyana, Canada and Brazil, offsetting voluntary production cuts by OPEC+. It said OPEC+ petroleum liquids production will fall by 1 million bpd in 2024, while non-members' supply will grow 1.4 million bpd, led by the U.S. In 2025, OPEC+ petroleum liquids production will increase by 900,000 bpd as production cuts expire, while non-OPEC+ output will increase by a further 1.1 million bpd. The EIA said global petroleum and liquids supply was 101.8 million bpd in 2023 and is expected to increase by 400,000 bpd in 2024 and 2 million bpd in 2025. U.S. oil production reached 13.3 million bpd in 2023 and is expected to increase by 400,000 bpd in 2024 and 800,000 bpd in 2025.

Early Market Call - as of 8:40 AM EDT
 WTI - April \$80.69, down 57 cents
 RBOB - April \$2.6955, down 78 points
 HO - April \$2.6803, down 2.85 cents

All NYMEX | Prior Settlements

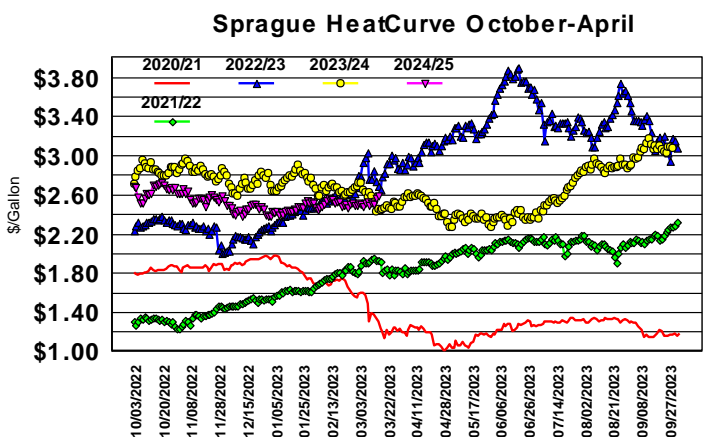
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.7088	0.0237	0.0141
May-24	2.6857	0.0302	0.0528
Jun-24	2.6610	0.0341	0.0703
Jul-24	2.6476	0.0346	0.0758
Aug-24	2.6396	0.0344	0.0774
Sep-24	2.6380	0.0340	0.0758
Oct-24	2.6353	0.0338	0.0741
Nov-24	2.6260	0.0332	0.0726
Dec-24	2.6095	0.0329	0.0713
Jan-25	2.5965	0.0330	0.0703
Feb-25	2.5795	0.0332	0.0699
Mar-25	2.5581	0.0333	0.0704
Apr-25	2.5315	0.0334	0.0719
May-25	2.5111	0.0326	0.0719
Jun-25	2.4936	0.0319	0.0718
Jul-25	2.4811	0.0312	0.0704
Aug-25	2.4714	0.0302	0.0689

Sprague HeatCurve October 2024-April 2025			\$2.5901
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.68	\$80.7400	\$1.4400
Crude - Brent		\$85.4200	\$1.3900
Natural Gas		\$1.7410	\$0.0830
Gasoline		\$2.7033	\$0.0418

EIA Working Gas Storage Report

	08-Mar-24	01-Mar-24	Change	08-Mar-23
East	412	422	-10	398
Midwest	561	575	-14	497
Mountain	167	169	-2	88
Pacific	213	219	-6	75
South Central	972	949	23	931
Salt	294	285	9	265
Nonsalt	678	664	14	666
Total	2325	2334	-9	1,989

Sprague HeatCurve October-April



8-14 Day Weather Forecast

