

## Market Commentary

**Recap:** The crude market continued to trend lower on Thursday on reports of a U.N. draft resolution calling for a ceasefire in Gaza. The oil market traded higher in overnight trading amid a weaker U.S. dollar after Federal Reserve officials reaffirmed they see three interest rate cuts this year. The market posted a high of \$81.92 as it retraced some of its previous losses. However, the market erased those gains and retraced more than 38% of its move from a low of \$76.43 to a high of \$83.12 as it sold off to a low of \$80.30 by mid-day. The oil market was pressured by confirmation that the U.S. drafted a U.N. resolution calling for a ceasefire that would allow the release of 40 Israeli hostages in return for hundreds of Palestinians detained in Israeli jails. The market later bounced off its low and traded back over the \$81.00 level ahead of the close. The May WTI, on its first session as the spot contract, settled down 20 cents at \$81.07, while the May Brent contract settled down 17 cents at \$85.78. The product markets ended the session lower once again, with the heating oil market settling down 2.69 cents at \$2.6688 and the RB market settling down 61 points at \$2.7271.

**Technical Analysis:** The oil market on Friday is seen trading sideways as the market positions itself ahead of the weekend amid the continuing conflict in the Middle East. The market will look to the U.S. Secretary of State Antony Blinken visit to Israel on Friday for further direction. He is scheduled to hold a talk with Israel on securing a Gaza ceasefire. The crude market is seen finding support at its low of \$80.30, \$80.01, \$79.78, \$79.15 and \$78.99. Meanwhile, resistance is seen at its high of \$81.92, \$82.65, \$83.12 and \$83.87.

**Fundamental News:** Two U.S. Senators introduced legislation to harden the ban on selling crude oil from the SPR to China. The bill introduced by Senators Joni Ernst and John Fetterman would ensure that companies owned or controlled by China's government do not buy oil from the SPR. The bill would also block the export or sale of SPR oil to countries including Russia, Venezuela and Syria.

ING analysts expect the oil market to tighten. It said the rollover of voluntary supply cuts from OPEC+ into the second quarter, Ukrainian attacks on Russian refining capacity more recently and lingering disruptions to oil flows through the Red Sea have recently supported the market. It said the roll over of the OPEC+ supply cuts will shift the oil market from a surplus environment in the second quarter of the year to a deficit. It estimates a deficit of a little over 1 million bpd in the second quarter. It revised up its Brent forecast from \$80/barrel for the second quarter of this year, while its third quarter forecast has been increased from \$82/barrel to \$88/barrel. As a result, for 2024 it expects Brent to average \$86/barrel, up from a previous estimate of \$82/barrel.

U.S. Secretary of State Antony Blinken met Egypt's President Abdel Fattah El-Sisi on Thursday for talks on securing a Gaza ceasefire of around six weeks that would allow the release of 40 Israeli hostages in return for hundreds of Palestinians detained in Israeli jails. He told the Arabic broadcaster Al Hadath that such a ceasefire would bring "immediate relief to so many people who are suffering in Gaza – the children, the women, the men", and that the U.S. had drafted a U.N. resolution to that effect.

The EPA reported that the U.S. generated 1.21 billion ethanol (D6) blending credits in February, unchanged on the month. It also reported that the U.S. generated 732 million biodiesel blending credits in February, up from 675 million in January.

Russia said that the United States was unlikely to agree to a Ukrainian proposal to lower the price cap on Russian oil to \$30/barrel because it would impact global energy markets and damage the U.S. economy.

The chief negotiator for the Houthi movement, Mohammed Abdulsalam, said Yemen's Houthis have provided assurances to both China and Russia that their vessels will pass safely through the Red Sea.

**Early Market Call - as of 8:30 AM EDT**

WTI - May \$81.26, up 19 cents

RBOB - April \$2.7363, up 92 points

HO - April \$2.6843, up 1.55 cents

## All NYMEX | Prior Settlements

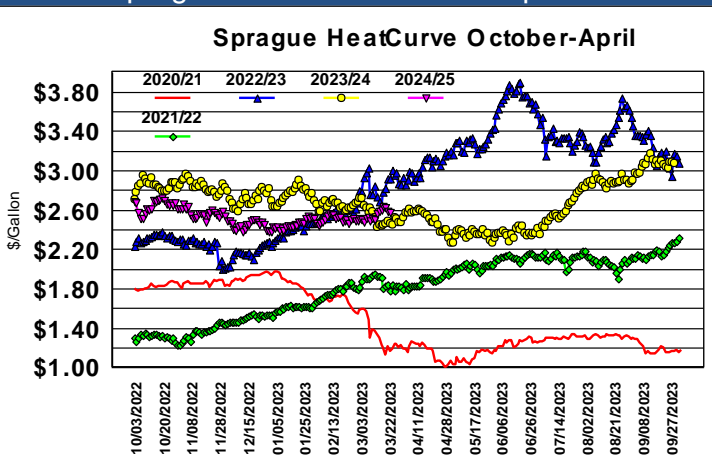
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6688	-0.0269	-0.0400
May-24	2.6516	-0.0238	-0.0341
Jun-24	2.6353	-0.0217	-0.0257
Jul-24	2.6268	-0.0190	-0.0208
Aug-24	2.6220	-0.0172	-0.0176
Sep-24	2.6214	-0.0163	-0.0166
Oct-24	2.6205	-0.0148	-0.0148
Nov-24	2.6124	-0.0140	-0.0136
Dec-24	2.5969	-0.0134	-0.0126
Jan-25	2.5851	-0.0128	-0.0114
Feb-25	2.5694	-0.0121	-0.0101
Mar-25	2.5491	-0.0119	-0.0090
Apr-25	2.5234	-0.0108	-0.0081
May-25	2.5037	-0.0094	-0.0074
Jun-25	2.4869	-0.0078	-0.0067
Jul-25	2.4754	-0.0072	-0.0057
Aug-25	2.4666	-0.0069	-0.0048

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.71	\$81.0700	-\$0.2000
Crude - Brent		\$85.7800	-\$0.1700
Natural Gas		\$1.6830	-\$0.0160
Gasoline		\$2.7271	-\$0.0061

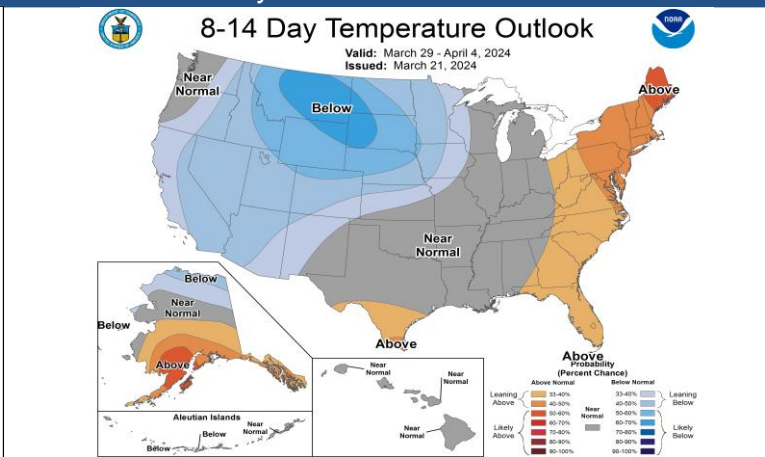
## EIA Working Gas Storage Report

	15-Mar-24	08-Mar-24	Change	15-Mar-23
East	406	412	-6	365
Midwest	551	561	-10	469
Mountain	166	167	-1	85
Pacific	216	213	3	72
South Central	993	972	21	929
Salt	300	294	6	263
Nonsalt	694	678	16	665
Total	2332	2325	7	1,921

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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