

## Market Commentary

**Recap:** The oil market traded in a yo-yo manner on Tuesday and ended 0.47% lower as the market weighed U.S. economic data against OPEC's demand growth forecast and the continuing geopolitical tensions in the Middle East. The oil market retraced some more of Monday's early losses in overnight trading. The market however, erased its gains and sold off to a low of \$77.34 following the Consumer Price Index report showing that inflation increased in February, a second consecutive month of increases. The crude market bounced off its low and traded to a high of \$78.73 as OPEC maintained its forecast for demand growth this year and next and further increased its economic growth forecast for this year saying there was more room for improvement. Also, hopes of a ceasefire in Israel's war against Hamas have faded, with negotiations at a standstill, while Yemen's Houthis continued their attacks on ships in the Red Sea and Gulf of Aden, with the latest attack on a U.S. ship in the Red Sea on Tuesday. The oil market later retraced all of its earlier gains ahead of the close as the EIA forecast smaller increases in world petroleum demand compared with OPEC's forecast. The April WTI contract settled down 37 cents at \$77.56 and the May Brent contract settled down 29 cents at \$81.92. The product markets ended the session in mixed territory, with the heating oil market settling down 3.53 cents at \$2.6165 and the RB market settling up 59 points at \$2.5864.

**Technical Analysis:** The oil market will look to the weekly petroleum stocks reports for further direction after the market retraced some of its previous gains and settled in a sideways trading range. The market may see some further retracement amid the expectations of a build in crude stocks of over 2 million barrels in the latest week. It will continue to look for updates on a Gaza ceasefire agreement as negotiations in Cairo were at a standstill, while the head of the CIA said a deal was still possible. The crude market is seen finding support at its low of \$77.34, \$76.79, \$76.17, \$75.84, \$75.52-\$75.49 and \$75.07. Meanwhile, resistance is seen at its high of \$78.73, \$79.99, \$80.67, \$80.85, \$81.50, \$82.00 and \$82.61.

**Fundamental News:** OPEC maintained its forecast for relatively strong growth in global oil demand in 2024 and 2025 and further raised its economic growth forecast for this year saying there was more room for improvement. In its monthly report, OPEC said world oil demand will increase by 2.25 million bpd in 2024 and by 1.85 million bpd in 2025. Both forecasts were unchanged from its previous forecast in February. OPEC's 2024 demand growth forecast is far above that of many other forecasters including the IEA.

In its Short Term Energy Outlook, the EIA reported that world petroleum demand is expected to increase by 1.43 million bpd to 102.43 million bpd in 2024 and increase by 1.38 million bpd to 103.81 million bpd in 2025. It reported that total world output increased by 380,000 bpd to 102.17 million bpd in 2024 and by 2 million bpd to 104.17 million bpd in 2025. OPEC oil output is forecast to fall by 310,000 bpd to 31.87 million bpd in 2024 and increase by 560,000 bpd to 32.43 million bpd in 2025. Meanwhile, U.S. oil output in 2024 is forecast to increase by 410,000 bpd to 22.32 million bpd and output in 2025 is expected to increase by 750,000 bpd to 23.07 million bpd. U.S. petroleum demand is expected to increase by 150,000 bpd to 20.4 million bpd in 2024 and by 190,000 bpd to 20.59 million bpd in 2025. Gasoline demand is expected to increase by 10,000 bpd to 8.95 million bpd in 2024 but fall by 40,000 bpd to 8.91 million bpd in 2025, while distillate demand is expected to increase by 20,000 bpd to 3.95 million bpd in 2024 and by 60,000 bpd to 4.01 million bpd in 2025. In regards to prices, the EIA lifted its 2024 spot Brent oil forecast to \$87/barrel from a previous forecast of \$82.42/barrel. It also raised its 2024 average retail price of gasoline by 20 cents to \$3.50/gallon.

U.S. Central Intelligence Agency director, William Burns, said there was "still a possibility" of a Gaza ceasefire deal, although many complicated issues remain.

**Early Market Call - as of 8:35 AM EDT**

WTI - April \$78.97, up 1.41 cents  
 RBOB - April \$2.6311 up 4.47 cents  
 HO - April \$2.6915, up 7.5 cents

## All NYMEX | Prior Settlements

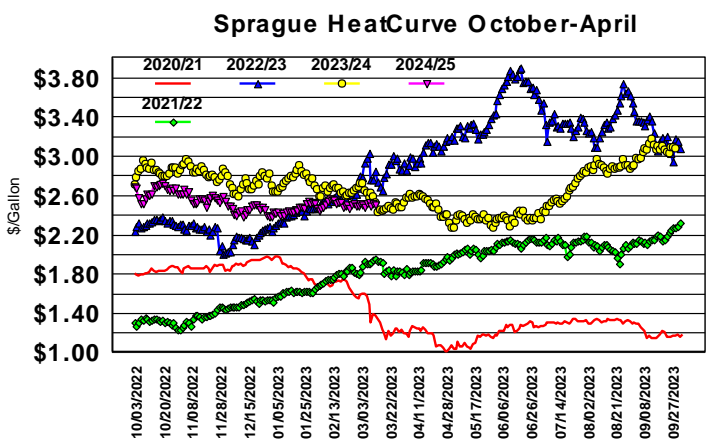
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6165	-0.0353	0.0100
May-24	2.5845	-0.0216	0.0224
Jun-24	2.5544	-0.0164	0.0260
Jul-24	2.5427	-0.0140	0.0268
Aug-24	2.5370	-0.0131	0.0263
Sep-24	2.5382	-0.0128	0.0246
Oct-24	2.5376	-0.0126	0.0238
Nov-24	2.5303	-0.0121	0.0235
Dec-24	2.5157	-0.0115	0.0227
Jan-25	2.5045	-0.0116	0.0225
Feb-25	2.4886	-0.0119	0.0214
Mar-25	2.4683	-0.0118	0.0207
Apr-25	2.4429	-0.0121	0.0210
May-25	2.4253	-0.0116	0.0215
Jun-25	2.4103	-0.0114	0.0224
Jul-25	2.4004	-0.0115	0.0232
Aug-25	2.3934	-0.0114	0.0244

Sprague HeatCurve October 2024-April 2025			\$2.4978
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.66	\$77.2600	-\$0.2800
Crude - Brent		\$81.9200	-\$0.2900
Natural Gas		\$1.7140	-\$0.0450
Gasoline		\$2.5864	\$0.0059

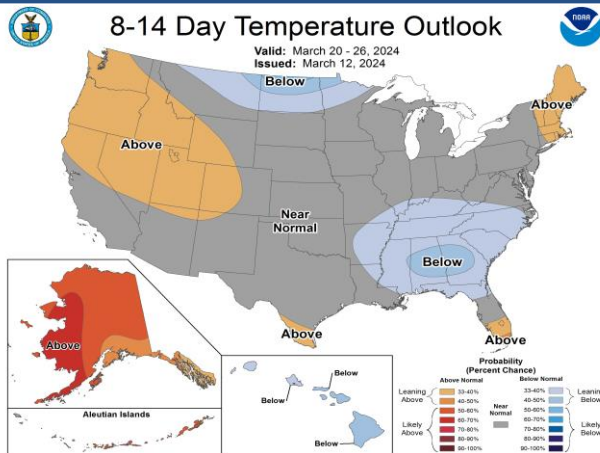
### API Report for the Week Ending March 8, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 5.521 million barrels	Up 2.8 million barrels
Gasoline Stocks	Down 3.75 million barrels	Down 1.8 million barrels
Distillate Stocks	Down 1.16 million barrels	Down 1.4 million barrels
Refinery Runs		Up 0.8%, at 85.7%

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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