

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** The oil market rallied sharply higher for the second consecutive session on Tuesday as the market remained well supported by the Ukrainian attacks against some major Russian refineries. Ukraine has targeted at least seven refineries with drones this month. The attacks have shut down 7% or about 370,500 bpd of Russian refining capacity. The oil market was also supported by lower crude exports from Saudi Arabia and Iraq and signs of stronger demand and economic growth in the U.S. and China. The crude market retraced some of Monday's sharp gains in overnight trading and posted a low of \$82.39. However, the market bounced off its low and continued to extend its previous gains, rallying over 1.3% as it posted a high of \$83.85, a level not seen since late October. The oil market later traded in a sideways trading range as traders positioned themselves ahead of the weekly petroleum stocks reports. The April WTI contract settled up 75 cents at \$83.47 and the May Brent contract settled up 49 cents at \$87.38. The product markets ended the session mixed, with the heating oil market settling down 2.75 cents at \$2.7607 and the RB market settling up 49 points at \$2.7622.

**Technical Analysis:** The crude market will seek further direction from the weekly petroleum stocks reports, which are expected to show draws across the board, with draws of over 2 million barrels in crude stocks. The market will also remain supported amid the Ukrainian drone attacks on Russian refineries. The oil market will be driven by the Federal Reserve's decision on interest rates on Wednesday, with the market expecting the Fed to maintain current interest rates. The crude market is seen finding resistance at its high of \$83.85, \$84.66, \$85.08 and \$85.62. Meanwhile, support is seen at \$82.39, \$81.01, \$80.49, \$79.57 followed by \$77.57, \$77.34, \$76.79 and \$75.84.

**Fundamental News:** UBS said it sees Brent likely trading in the \$80-\$90/barrel range this year, with an end of June forecast of \$86/barrel. It said the extension of the voluntary OPEC+ production cuts for another three months is likely to keep the oil market undersupplied in the second quarter of 2024.

Israel's Prime Minister, Benjamin Netanyahu said it made it "supremely clear" to U.S. President Joe Biden "that we are determined to complete the elimination of these battalions in Rafah, and there's no way to do that except by going in on the ground." The two leaders spoke by phone on Monday. White House National Security Adviser Jake Sullivan said Washington believed a ground assault on Rafah would be a "mistake" and that Israel could achieve its military aims by other means. U.S. Secretary of State Antony Blinken announced a trip to the Middle East, where he would meet senior leaders of Saudi Arabia and Egypt this week. Ceasefire talks are resuming this week in Qatar after Israel rejected a Hamas counter-proposal last week. An Israeli delegation headed by the country's spy chief travelled to Qatar on Monday, although an Israeli official said Israel believed any agreement would take at least two weeks to nail down. Separately, White House spokesperson, Karine Jean-Pierre said U.S. and Israeli officials will likely meet early next week in Washington to discuss Israel's military operation in Rafah.

Earlier, Britain's Deputy Prime Minister, Oliver Dowden, defended Israel's right to protect itself amid increasing tension between the Middle Eastern country and its biggest supporters, but called for an "immediate ceasefire" in Gaza on humanitarian grounds. He said the British government was "continuously" urging Israel to abide by international humanitarian law and had also raised concerns about getting aid into Gaza.

The military spokesman for Yemen's Houthis, Yahya Sarea, said the group targeted a tanker, the MADO, in the Red Sea with naval missiles and Israel's Eilat region with winged missiles. MADO is a Marshall-Islands flagged LPG tanker heading to Singapore from Saudi Arabia, maritime shipping trackers showed. The Houthis described it as American.

**Early Market Call - as of 8:35 AM EDT**  
 WTI - April \$81.33, down \$1.40  
 RBOB - April \$2.7125, down 4.97 cents  
 HO - April \$2.6830, down 7.76 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.7607	-0.0275	0.1442
May-24	2.7386	-0.0231	0.1541
Jun-24	2.7147	-0.0173	0.1603
Jul-24	2.6985	-0.0148	0.1558
Aug-24	2.6875	-0.0138	0.1505
Sep-24	2.6829	-0.0136	0.1447
Oct-24	2.6780	-0.0131	0.1404
Nov-24	2.6671	-0.0123	0.1368
Dec-24	2.6491	-0.0115	0.1334
Jan-25	2.6349	-0.0107	0.1304
Feb-25	2.6168	-0.0101	0.1282
Mar-25	2.5941	-0.0101	0.1258
Apr-25	2.5650	-0.0098	0.1221
May-25	2.5413	-0.0094	0.1160
Jun-25	2.5203	-0.0090	0.1100
Jul-25	2.5065	-0.0086	0.1061
Aug-25	2.4961	-0.0079	0.1027

Sprague HeatCurve October 2024-April 2025			\$2.6283
		Close	Change
Crude - WTI	<b>May Brent-WTI Spread</b> <b>\$4.65</b>	\$82.7300	\$0.5700
Crude - Brent		\$87.3800	\$0.4900
Natural Gas		\$1.7440	\$0.0410
Gasoline		\$2.7622	\$0.0049

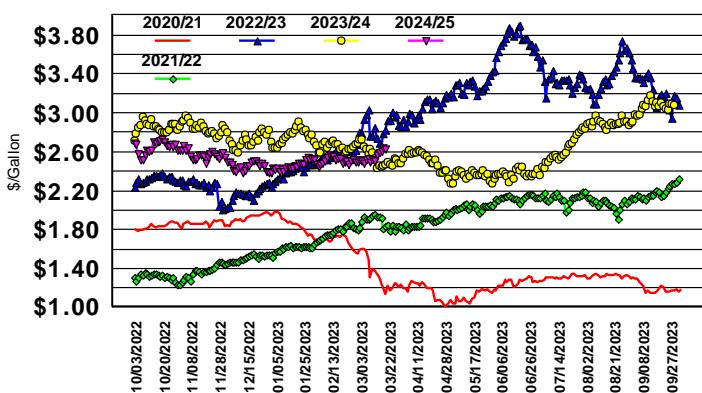
### API Report for the Week Ending March 15, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 1.5 million barrels	Down 2.7 million barrels
Gasoline Stocks	Down 1.6 million barrels	Down 1.9 million barrels
Distillate Stocks	Up 512,000 barrels	Down 2.3 million barrels
Refinery Runs		Up 0.8%, at 87.6%

## Sprague HeatCurve October-April

## 8-14 Day Weather Forecast

### Sprague HeatCurve October-April



### 8-14 Day Temperature Outlook

