

Market Commentary

Recap: The crude market posted an outside trading day after the market erased overnight gains and extended its selling on some bearish economic news from the U.S. and Germany. The market traded higher in overnight trading and posted a high of \$70.92 amid the news of the U.S. imposing further sanctions on Iran's oil industry. However, the market erased those gains and traded below the \$70.00 level once again. The market was further pressured by the negative economic news from Germany, which reported a GDP contraction of 0.2% in the final quarter of 2024. The market retraced more than 62% of its move from a low of \$63.61 to a high of \$77.86 as it plunged to a low of \$68.68 on lower than expected U.S. consumer confidence index data. The Conference Board reported that consumer confidence fell at its sharpest pace in 3½ years in February, with 12-month inflation expectations increasing amid concerns over tariffs on imports. The oil market later traded in a sideways trading range as it awaited the release of the weekly petroleum stocks reports. The April WTI contract settled down \$1.77 at \$68.93 and the April Brent contract settled down \$1.76 at \$73.02. The product markets ended the session lower, with the heating oil market settling down 4.55 cents at \$2.3903 and the RB market settling down 4.37 cents at \$1.9673.

Technical Analysis: The oil market on Wednesday will be driven by the weekly petroleum stocks report, which are expected to show a build in crude stocks of more than 1 million barrels and draws in distillate and gasoline stocks. The market will likely retrace some of its sharp losses and trade sideways as it also awaits further news on the possible peace deal between Ukraine and Russia as well as news on the tariffs against Canada and Mexico, which are scheduled to begin next Tuesday, March 4th. The crude market is seen finding support at its low of \$68.68, \$67.92, \$67.75, \$67.18, \$66.62 and \$66.41. Meanwhile, resistance is seen at \$69.05, \$69.67, \$70.00, \$70.17, \$70.27, \$70.46, \$71.26, \$71.40 and \$72.77.

Fundamental News: U.S. President Trump said Monday he was looking to revive the Keystone XL oil pipeline. Even though the original developer has already abandoned the project, the U.S. president in a social media post promised "easy approvals, almost immediate start" for the developer or another pipeline company. Key permits that had been obtained for the development of the project over the past decade have expired as well as parts of the system that had been constructed have been dismantled.

Goldman Sachs analysts said crude prices have fluctuated in the mid-\$70s for Brent and low \$70s for WTI over the past week. It said the positives for prices include President Donald Trump's additional Iranian sanctions and new EU sanctions on Russia's shadow fleet and oil storage restrictions. It added that headwinds, include disappointing U.S. macroeconomic data on Friday and reports of a new coronavirus strain in China, alongside the resumption of oil flows from Kurdistan following a two year pause. The bank said there is room for a potential recovery in positioning and valuation for oil and Brent crude prices could increase up to \$80/barrel in the second quarter of the year.

The Kremlin welcomed what it described as a much more balanced U.S. stance on Ukraine after the United Nations Security Council on Monday adopted a U.S. drafted resolution that took a neutral position on the conflict. On Monday, at the U.N. General Assembly, the United States unsuccessfully opposed a resolution demanding Russian withdrawal from Ukraine. However, in the Security Council, it won approval of a resolution that called for peace, without assigning blame for the war.

Early Market Call - as of 8:35 AM EDT
 WTI - Apr \$68.94, up 1 cents
 RBOB - Mar \$1.9571, down 1.02 cents
 HO - Mar \$2.3582, down 3.21 cents

All NYMEX | Prior Settlements

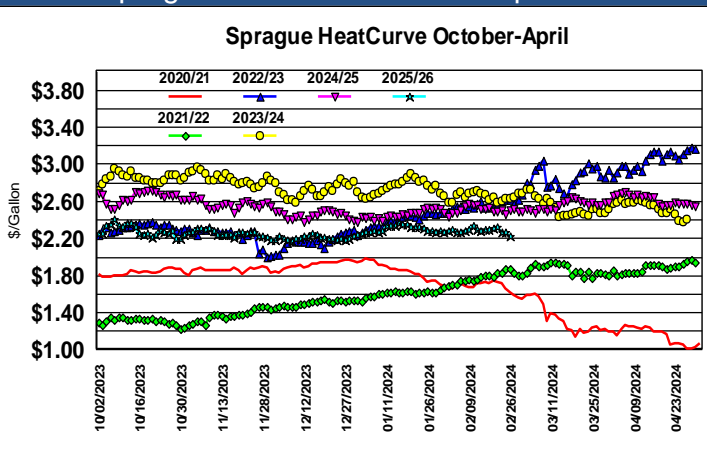
| | ULSD (HO) Close | Prior Settle Change | Change In One Week |
|--------|--------------------|------------------------|-----------------------|
| Mar-25 | \$2.3903 | -\$0.0455 | -\$0.0503 |
| Apr-25 | \$2.3342 | -\$0.0435 | -\$0.0532 |
| May-25 | \$2.2723 | -\$0.0455 | -\$0.0688 |
| Jun-25 | \$2.2354 | -\$0.0463 | -\$0.0773 |
| Jul-25 | \$2.2224 | -\$0.0465 | -\$0.0786 |
| Aug-25 | \$2.2218 | -\$0.0424 | -\$0.0746 |
| Sep-25 | \$2.2227 | -\$0.0459 | -\$0.0768 |
| Oct-25 | \$2.2291 | -\$0.0452 | -\$0.0744 |
| Nov-25 | \$2.2302 | -\$0.0441 | -\$0.0719 |
| Dec-25 | \$2.2277 | -\$0.0426 | -\$0.0682 |
| Jan-26 | \$2.2280 | -\$0.0412 | -\$0.0658 |
| Feb-26 | \$2.2222 | -\$0.0398 | -\$0.0632 |
| Mar-26 | \$2.2097 | -\$0.0386 | -\$0.0610 |
| Apr-26 | \$2.1908 | -\$0.0373 | -\$0.0593 |
| May-26 | \$2.1805 | -\$0.0362 | -\$0.0566 |
| Jun-26 | \$2.1738 | -\$0.0346 | -\$0.0530 |
| Jul-26 | \$2.1741 | -\$0.0341 | -\$0.0512 |

| Sprague HeatCurve October 2025-April 2026 | | \$2.2211 |
|---|-----------|-----------|
| | Close | Change |
| Crude - WTI | \$68.9300 | -\$1.7700 |
| Crude - Brent | \$73.0200 | -\$1.7600 |
| Natural Gas | \$4.1740 | \$0.1800 |
| Gasoline | \$1.9673 | -\$0.0437 |

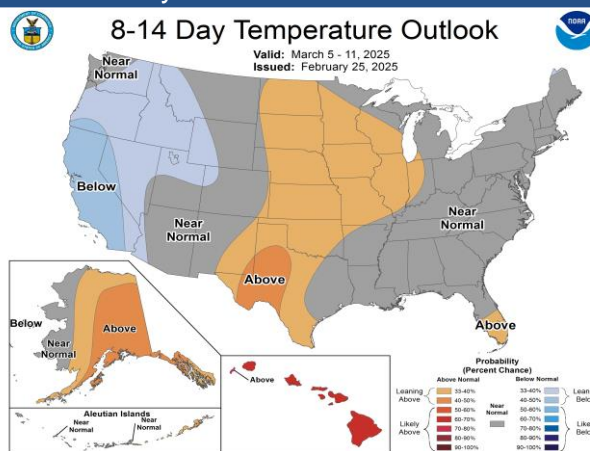
API Report for the Week Ending February 21, 2024

| | Actual | Mkt Expectations |
|---------------------------|---------------------------|------------------------|
| Crude Oil Stocks(exl SPR) | Down 640,000 barrels | Up 1.4 million barrels |
| Gasoline Stocks | Up 537,000 barrels | Down 700,000 barrels |
| Distillate Stocks | Down 1.11 million barrels | Down 2 million barrels |
| Refinery Runs | | Down 0.5% at 84.4% |

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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