

Market Commentary

Recap: The crude oil market traded lower on Wednesday after the EIA report showed unexpected builds in distillates and gasoline stocks, signaling weak demand, and a potential peace deal between Russia and Ukraine continued to weigh on sentiment. Overnight, the market mostly traded water as it continued to trade within Tuesday's lower trading range. However, the market, which posted a high of \$69.28, erased any of its gains and continued to trend lower ahead of the release of the EIA's weekly petroleum stocks report. The oil market sold off to a low of \$68.36 in afternoon trading in light of the unexpected builds in distillates stocks of over 3.9 million barrels and a build of 369,000 barrels in gasoline stocks. The market later traded mostly sideways ahead of the close. The April WTI contract settled down 31 cents at \$68.62 and the April Brent contract settled down 49 cents at \$72.53. The product markets ended the session lower, with the heating oil market settling down 46 points at \$2.3443 and the RB market settling down 1.84 cents at \$1.9489.

Technical Analysis: The oil market on Thursday will likely retrace some of its losses before it continues on its downward trend, as stochastics are still trending lower. The market will look for further developments regarding the potential peace agreement between Ukraine and Russia, the Trump administration's tariff announcements in the coming days as well as economic news, with the second GDP estimate due out on Thursday morning and the Personal Consumption Expenditures index due out on Friday morning. The market is seen finding support at its low of \$68.36, \$68.00, \$67.92, \$67.75, \$67.67, \$67.18 followed by \$66.62 and \$66.41. Meanwhile, resistance is seen at its high of \$69.28, \$70.00, \$70.20, \$70.75, \$71.26, \$71.32, \$71.40 and \$72.77.

Fundamental News: The EIA reported that U.S. crude oil inventories in the week ending February 21st fell by 2.332 million barrels to 430.2 million barrels. U.S. East Coast crude stocks fell by 1.1 million barrels to 6.9 million barrels, the lowest level since October 2023. Meanwhile, U.S. distillate stocks built by 3.908 million barrels on the week to 120.5 million barrels, with stocks in the Midwest increasing by 700,000 barrels on the week to 34.7 million barrels, the highest level since January 2024. U.S. gasoline stocks increased by 369,000 barrels on the week to 248.3 million barrels. U.S. East Coast gasoline stocks increased by 502,000 barrels to 67.019 million barrels, the highest level since July 2021.

U.S. President Donald Trump said Ukraine's President Volodymyr Zelenskyy will visit Washington on Friday to sign an agreement on rare earth minerals. Earlier, Ukraine's President, Volodymyr Zelenskyy, said that the success of an initial minerals agreement with the U.S. will depend on President Donald Trump. He said that it was part of broader agreements with the U.S. and could provide security guarantees to Ukraine to ensure a lasting and fair peace. Earlier, Denys Shmyhal, Ukraine's Prime Minister, said the government would authorize the agreed wording later on Wednesday so it could be signed. He described it as a "preliminary" agreement. Outlining the agreement in televised comments, Ukraine's Prime Minister said Kyiv would contribute 50% of "all proceeds received from the future monetization of all relevant state-owned natural resource assets and relevant infrastructure".

Russian Foreign Minister, Sergei Lavrov, said Russian and U.S. diplomats will meet in Istanbul on Thursday for talks on resolving bilateral disputes that form part of a wider dialogue they see as crucial to ending the Ukraine war.

IR Energy said U.S. oil refiners are expected to shut in about 1.1 million bpd of capacity in the week ending February 28th, increasing available refining capacity by 252,000 bpd. Offline capacity is expected to increase to 1.18 million bpd in the week ending March 7th.

Early Market Call - as of 8:35 AM EDT

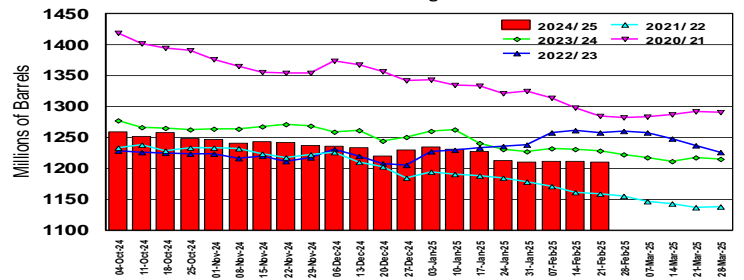
WTI - Apr \$69.30, up 69 cents
 RBOB - Mar \$1.9503, up 14 points
 HO - Mar \$2.3564, up 1.21 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-25	2.3443	-0.0460	-0.1122
Apr-25	2.2920	-0.0422	-0.1150
May-25	2.2364	-0.0359	-0.1214
Jun-25	2.2040	-0.0314	-0.1225
Jul-25	2.1946	-0.0278	-0.1188
Aug-25	2.1820	-0.0360	-0.1259
Sep-25	2.1971	-0.0256	-0.1138
Oct-25	2.2035	-0.0256	-0.1118
Nov-25	2.2052	-0.0250	-0.1089
Dec-25	2.2035	-0.0242	-0.1049
Jan-26	2.2051	-0.0229	-0.1010
Feb-26	2.2003	-0.0219	-0.0977
Mar-26	2.1892	-0.0205	-0.0940
Apr-26	2.1715	-0.0193	-0.0911
May-26	2.1628	-0.0177	-0.0871
Jun-26	2.1575	-0.0163	-0.0823
Jul-26	2.1593	-0.0148	-0.0795

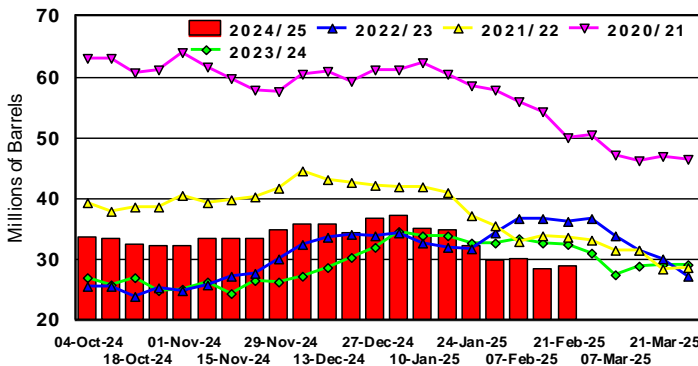
Sprague HeatCurve October 2025-April 2026		\$2.1984
		Close
Crude - WTI	Apr Brent- WTI Spread	\$68.6200
Crude - Brent		\$72.5300
Natural Gas	\$3.91	\$3.9060
Gasoline		\$1.9489

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending February 21, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.332 million barrels
 Cushing, OK Crude Stocks Up 1.282 million barrels
Gasoline Stocks Up 369,000 barrels
Distillate Stocks Up 3.908 million barrels
Refinery % Operated 86.5%, up 1.6%

PADD #1

	Week Ending Feb. 21, 2025	Week Ending Feb. 14, 2024	Week Ending Feb. 23, 2024
Distillate Stocks (in million bbl)			
New England	4.3	4.3	5.1
Central Atlantic	13.6	13.6	16.9
Total PADD #1	28.8	28.5	32.4
Distillate Imports (thousands b/d)	342	257	93