

Market Commentary

Recap: The oil market on Tuesday extended its Monday's sharp losses in light of the OPEC+ decision to proceed with its planned output increase of 138,000 bpd in April and as U.S. tariffs on Canada, Mexico and China came into effect. The U.S. imposed a 25% tariff on imports from Canada and Mexico, with a 10% tariff on Canadian energy, while tariffs on goods from China were increased by 10% to 20%, which is expected to weigh on economic activity and demand for energy. Further weigh on market sentiment was U.S. President Trump's decision to halt military aid to Ukraine, as the growing distance between the U.S. and Ukraine potentially increasing the possibility of sanctions relief for Russia. On Monday, the White House asked the State and Treasury departments to draft a list of sanctions that could be eased for U.S. officials to discuss during talks with Russia. The oil market opened at its high of \$68.46 and continued on its downward trend, breaching the lower limit of a downward trend channel at \$67.02. The market extended its losses to \$1.60 as it posted a low of \$66.77 by mid-morning. The crude market later bounced off its low and traded back towards its high ahead of the close. The April WTI contract settled down 11 cents at \$68.26 and the May Brent contract settled down 58 cents at \$71.04. The April WTI contract later traded to a high of \$68.56 in the post settlement period. The product markets ended in mixed territory, with the heating oil market settling down 2.68 cents at \$2.2872 and the RB market settling up 64 points at \$2.1942.

Technical Analysis: The oil market will look to the weekly petroleum stocks reports for further direction after the market on Tuesday retraced its earlier losses. The reports are expected to show small builds in crude stocks of less than 500,000 barrels on the week. It will also remain driven by the latest headlines, with President Donald Trump scheduled to speak before Congress on Tuesday night. President Trump is expected to announce a minerals deal with Ukraine in his address to Congress. The market is seen finding support at \$66.85, its low of \$66.77, \$66.62, \$66.41, \$66.13 and \$65.68. Meanwhile, resistance is seen at its high of \$68.56, \$69.20, \$69.96, \$70.60, \$70.71 and \$71.26.

Fundamental News: U.S. President Donald Trump's new 25% tariffs on imports from Mexico and Canada took effect on Tuesday, along with a doubling of duties on Chinese goods to 20%. The tariff actions took effect at midnight, hours after Trump declared that all three countries had failed to do enough to stem the flow of the deadly fentanyl opioid and its precursor chemicals into the United States. China responded immediately, announcing additional tariffs of 10%-15% on certain U.S. imports starting March 10th and a series of new export restrictions for designated U.S. entities. Canada's Prime Minister Justin Trudeau said Ottawa would respond with immediate 25% tariffs on C\$30 billion or \$20.7 billion worth of U.S. imports and another C\$125 billion or \$86.2 billion if Trump's tariffs were still in place in 21 days. Mexico's President, Claudia Sheinbaum, said there was no justification for U.S. President Donald Trump's implemented 25% tariffs on imports from Mexico and said her government would respond with tariff and non-tariff measures.

According to traders and analysts, U.S. retail gasoline prices are set to increase in the coming weeks as new tariffs imposed by the Trump administration raise the cost of energy imports. Fuel distributor TACenergy said the tariffs have triggered an increase in wholesale gasoline prices in the U.S. Northeast, a region that relies heavily on Canadian shipments of gasoline, heating oil and diesel. Retail fuel experts said the increase will start filtering through to New England's pumps soon and could add 20 to 40 cents a gallon.

U.S. President Donald Trump's administration said it is ending a license that it had granted to Chevron since 2022 to operate in Venezuela and export its oil, after the U.S. accused Venezuela's President Nicolas Maduro of not making progress on electoral reforms and migrant returns. According to an update of the license, published by the U.S. Treasury Department, Chevron will have through April 3rd to wind down exports from Venezuela.

Early Market Call - as of 8:35 AM EDT

WTI - Apr \$66.80, down \$1.46
 RBOB - Apr \$2.1375, down 5.67 cents
 HO - Apr \$2.2323, down 5.49 cents

All NYMEX | Prior Settlements

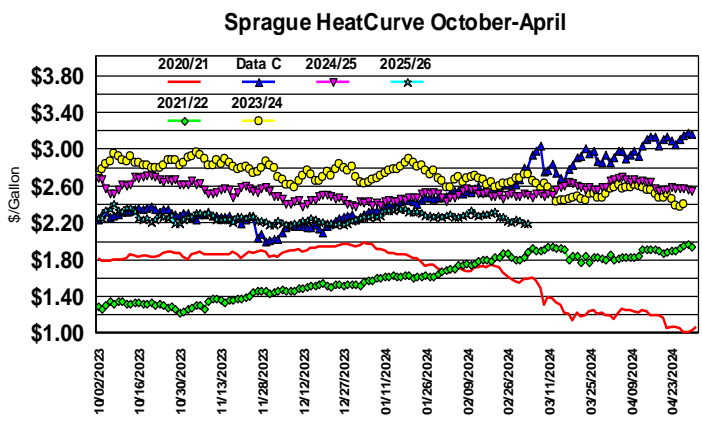
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	\$2.2872	\$0.0268	-\$0.0470
May-25	\$2.2258	\$0.0123	-\$0.0465
Jun-25	\$2.1862	\$0.0034	-\$0.0492
Jul-25	\$2.1728	-\$0.0021	-\$0.0496
Aug-25	\$2.1700	-\$0.0042	-\$0.0480
Sep-25	\$2.1784	-\$0.0031	-\$0.0443
Oct-25	\$2.1881	-\$0.0017	-\$0.0410
Nov-25	\$2.1919	-\$0.0009	-\$0.0383
Dec-25	\$2.1912	-\$0.0002	-\$0.0365
Jan-26	\$2.1935	-\$0.0002	-\$0.0345
Feb-26	\$2.1894	-\$0.0003	-\$0.0328
Mar-26	\$2.1783	-\$0.0004	-\$0.0314
Apr-26	\$2.1617	\$0.0000	-\$0.0291
May-26	\$2.1539	\$0.0011	-\$0.0266
Jun-26	\$2.1492	\$0.0021	-\$0.0246
Jul-26	\$2.1515	\$0.0029	-\$0.0226
Aug-26	\$2.1545	\$0.0038	-\$0.0208

Sprague HeatCurve October 2025-April 2026		\$2.1866
	Close	Change
Crude - WTI	\$67.7000	-\$0.3600
Crude - Brent	\$71.0400	-\$0.5800
Natural Gas	\$4.3500	\$0.2280
Gasoline	\$2.1942	\$0.0064

API Report for the Week Ending February 28, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 1.46 million barrels	Up 300,000 barrels
Gasoline Stocks	Down 1.25 million barrels	Down 400,000 barrels
Distillate Stocks	Up 1.14 million barrels	Up 200,000 barrels
Refinery Runs		Up 0.2% at 86.7%

Sprague HeatCurve October-April



8-14 Day Weather Forecast

