

Market Commentary

Recap: The oil market continued to trend lower for a fourth consecutive session on Wednesday after the EIA weekly petroleum stocks report showed a larger than expected build in crude stocks, adding to further downward pressure following OPEC+ decision to proceed with its planned output increase in April and the U.S. tariffs imposed in Canada, Mexico and China. The market posted a high of \$68.10 in overnight trading and continued on its downward trend, breaching its previous low of \$66.77. It extended its losses to over \$3.00 as it sold off to a \$65.22. The market was further pressured by the larger than expected build in crude stocks of over 3.6 million barrels on the week. The crude market, however, bounced off its low and pared some of its sharp losses amid the news that the Trump administration was considering granting some relief from tariffs on certain industries. He said the relief under consideration would eliminate the 10% tariff on Canadian energy imports. The White House later confirmed that President Donald Trump agreed to delay tariffs for one month on some vehicles built in North America. The market traded back above the \$66.00 level ahead of the close. The April WTI contract settled down \$1.95 at \$66.31 and the May Brent contract settled down \$1.74 at \$69.30. The product markets ended the session in negative territory, with the heating oil market settling down 4.64 cents at \$2.2408 and the RB market settling down 5.72 cents at \$2.1370.

Technical Analysis: The crude market is seen trending sideways on Thursday after the market pared some of its sharp losses in light of the latest Trump administration policy change on certain tariffs imposed on Canada and Mexico. The market is seen finding support at its low of \$65.22 followed by \$63.95 and \$63.61. Meanwhile, resistance is seen at \$67.28, \$67.91, \$68.10, \$68.56 and \$70.60.

Fundamental News: The EIA reported that U.S. crude oil stocks increased more than expected in the week ending February 28th. U.S. crude oil inventories increased by 3.6 million barrels to 433.8 million barrels. Refinery crude runs fell by 346,000 bpd and utilization rates fell 0.6% to 85.9% of total capacity. U.S. East Coast refinery utilization rates fell to their lowest level since July 2020, falling sharply to 54.8% of capacity from 82.5% in the prior week. Gasoline stocks fell more than expected by 1.4 million barrels on the week to 246.8 million barrels. U.S. Midwest gasoline stocks increased by 200,000 barrels to 60.4 million barrels, the highest level since February 2024.

On Tuesday, in an address to Congress, U.S. President Donald Trump said he received a letter from Ukrainian President Volodymyr Zelenskyy, in which the Ukrainian leader expressed willingness to come to the negotiating table over the Russia-Ukraine war. He said Ukraine was ready to sign a minerals deal with the United States. President Trump also said he had been in "serious discussions with Russia" and had "received strong signals that they are ready for peace". Meanwhile, four sources said that the Trump administration and Ukraine plan to sign a minerals deal in return for military aid, which President Trump has paused.

According to Reuters, OPEC oil output increased in February as Iranian exports held strong, despite renewed U.S. attempts to cut the flows and Nigeria increased output above its target within the wider OPEC+ group. The survey showed that OPEC produced 26.74 million bpd in February, up 170,000 bpd from January's revised total, with Iran and Nigeria posting the largest gains of 80,000 bpd to 3.3 million bpd and 50,000 bpd to 1.57 million bpd, respectively. Meanwhile, Saudi Arabia's oil output fell by 20,000 bpd on the month to 8.93 million bpd and Iraq's output increased by 40,000 bpd to 3.98 million bpd.

IIR Energy said U.S. oil refiners are expected to shut in about 1.2 million bpd of capacity in the week ending March 7th, cutting available refining capacity by 86,000 bpd. Offline capacity is expected to fall to 985,000 bpd in the week ending March 14th.

Early Market Call - as of 8:35 AM EDT

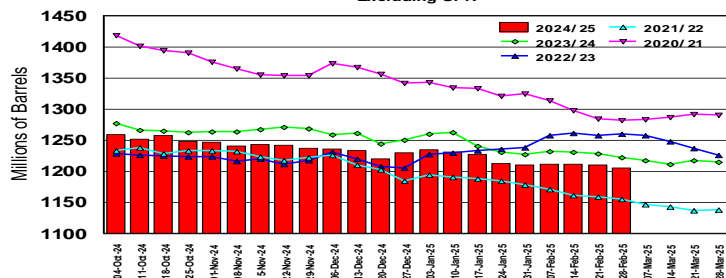
WTI - Apr \$66.45, up 14 cents
 RBOB - Apr \$2.1257, down 1.13 cents
 HO - Apr \$2.2535, up 1.22 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.2408	-0.0464	-0.0512
May-25	2.1844	-0.0414	-0.0520
Jun-25	2.1466	-0.0396	-0.0574
Jul-25	2.1328	-0.0400	-0.0618
Aug-25	2.1301	-0.0399	-0.0619
Sep-25	2.1398	-0.0386	-0.0573
Oct-25	2.1506	-0.0375	-0.0529
Nov-25	2.1560	-0.0359	-0.0492
Dec-25	2.1571	-0.0341	-0.0464
Jan-26	2.1604	-0.0331	-0.0447
Feb-26	2.1571	-0.0323	-0.0432
Mar-26	2.1467	-0.0316	-0.0425
Apr-26	2.1308	-0.0309	-0.0407
May-26	2.2137	0.0598	0.0509
Jun-26	2.1194	-0.0298	-0.0381
Jul-26	2.1221	-0.0294	-0.0372
Aug-26	2.1254	-0.0291	-0.0358

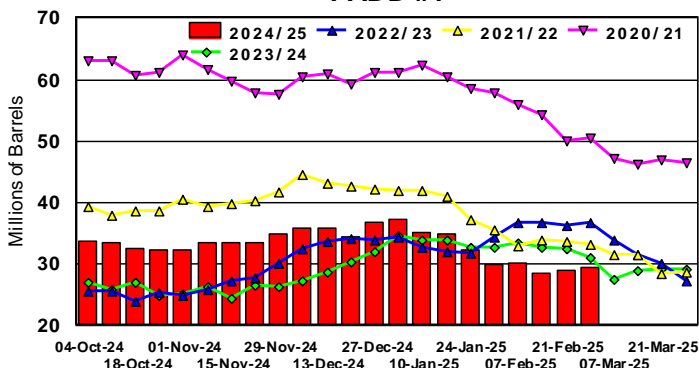
Sprague HeatCurve October 2025-April 2026		Close	
Crude - WTI	May Brent- WTI Spread \$3.39	\$65.9100	-\$1.7900
Crude - Brent		\$69.3000	-\$1.7400
Natural Gas		\$4.4500	\$0.1000
Gasoline		\$2.1370	-\$0.0572

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending February 28, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.614 million barrels
 Cushing, OK Crude Stocks Up 1.124 million barrels
Gasoline Stocks Down 1.433 million barrels
Distillate Stocks Down 1.318 million barrels
Refinery % Operated 85.9%, down 0.6%

PADD #1

	Week Ending Feb. 28, 2025	Week Ending Feb. 21, 2024	Week Ending Feb. 23, 2024
Distillate Stocks (in million bbl)	29.4	28.8	31.1
Distillate Imports (thousands b/d)	245	342	162

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