

Market Commentary

Recap: The oil market rallied higher Wednesday as it continued to retrace some of its recent sell off. The market, which posted a low of \$66.15 in overnight trading, found some support on the dollar's recent weakness. The crude market found some support from a lower than expected U.S. inflation reading, with the CPI increasing by 0.2% in February. The market was further supported by the EIA's weekly petroleum stocks report, which showed a larger than expected draw in gasoline stocks of over 5.7 million barrels on the week. The oil market rallied to a high of \$67.88 before it retraced some of its gains and traded sideways ahead of the close. The April WTI contract settled up at \$1.43 at \$67.68 and the May Brent contract settled up \$1.39 at \$70.95. The product markets ended the session higher, led by the RB market, which settled up 4.51 cents at \$2.1501, while the heating oil market settled up 95 points at \$2.2063.

Technical Analysis: The crude market is seen remaining in its sideways trading range as the market weighs the EIA's weekly petroleum stocks report and the latest CPI report, which showed lower inflation, against the concerns over global economic growth and oil demand amid the chaotic rollout of tariffs by the Trump administration. The market is seen finding resistance at its high of \$67.88-\$67.91, \$68.22, \$68.56 and \$70.60. Meanwhile, support is seen at \$66.15, \$65.29, \$65.22 followed by \$63.95 and \$63.61.

Fundamental News: OPEC kept its forecast for relatively strong growth in global oil demand in 2025, saying air and road travel would support consumption, and reported that Kazakhstan led an increase in February OPEC+ output despite an ongoing production pact. In its monthly report, OPEC said world oil demand will increase by 1.45 million bpd in 2025 and by 1.43 million bpd in 2026. Both forecasts were unchanged from last month. OPEC also reported that OPEC+ crude output averaged 41.01 million bpd in February, up 363,000 bpd on the month, led by an increase in Kazakhstan which is lagging in its adherence to OPEC+ output quotas. Kazakhstan contributed more than a half of overall OPEC+ oil production increase in February.

U.S. President Donald Trump's increased tariffs on all U.S. steel and aluminum imports took effect on Wednesday. U.S. Commerce Secretary, Howard Lutnick, said nothing would stop President Donald Trump's expanded 25% tariffs on steel and aluminum until U.S. domestic production is strengthened and that President Trump will add copper to his trade protections. The European Commission responded swiftly, saying it would impose counter tariffs on 26 billion euros or \$28 billion worth of U.S. goods starting next month. China's Foreign Ministry said Beijing would take all necessary measures to safeguard its rights and interests, while Japan's Chief Cabinet Secretary, Yoshimasa Hayashi, said the move could have a major impact on U.S.-Japan economic ties. Meanwhile, close allies Canada, Britain and Australia criticized the blanket tariffs, with Canada stating it will announce C\$29.8 billion in retaliatory tariffs on the United States. Britain's Trade Minister, Jonathan Reynolds, said "all options were on the table" to respond in the national interest, while Australia's Prime Minister, Antony Albanese, said the move was "against the spirit of our two nations' enduring friendship" but ruled out tit-for-tat duties. Mexico's President Claudia Sheinbaum said her government will not immediately retaliate to new 25% tariffs and instead will wait for a possible resolution in the coming weeks.

Kazakhstan's Energy Ministry said Kazakhstan will quickly adjust its oil output in order to get back in line with its OPEC+ quota after exceeding the limit in February. It reiterated Kazakhstan's full commitment to its agreement with OPEC+.

IIR Energy said U.S. oil refiners are expected to shut in about 711,000 bpd of capacity in the week ending March 14th, increasing available refining capacity by 330,000 bpd.

Early Market Call - as of 8:25 AM EDT

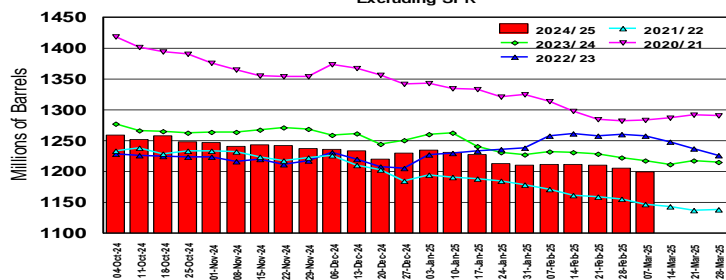
WTI - Apr \$67.35, down 33 cents
 RBOB - Apr \$2.1507, up 6 points
 HO - Apr \$2.1976, down 87 points

All NYMEX | Prior Settlements

| | ULSD (HO) Close | Prior Settle Change | Change In One Week |
|--------|--------------------|------------------------|-----------------------|
| Apr-25 | 2.2063 | 0.0095 | -0.0345 |
| May-25 | 2.1788 | 0.0177 | -0.0056 |
| Jun-25 | 2.1551 | 0.0245 | 0.0085 |
| Jul-25 | 2.1484 | 0.0272 | 0.0156 |
| Aug-25 | 2.1487 | 0.0281 | 0.0186 |
| Sep-25 | 2.1565 | 0.0275 | 0.0167 |
| Oct-25 | 2.1645 | 0.0269 | 0.0139 |
| Nov-25 | 2.1674 | 0.0265 | 0.0114 |
| Dec-25 | 2.1661 | 0.0262 | 0.0090 |
| Jan-26 | 2.1676 | 0.0261 | 0.0072 |
| Feb-26 | 2.1633 | 0.0257 | 0.0062 |
| Mar-26 | 2.1524 | 0.0250 | 0.0057 |
| Apr-26 | 2.1362 | 0.0243 | 0.0054 |
| May-26 | 2.1283 | 0.0234 | 0.0046 |
| Jun-26 | 2.1231 | 0.0219 | 0.0037 |
| Jul-26 | 2.1262 | 0.0215 | 0.0041 |
| Aug-26 | 2.1299 | 0.0215 | 0.0045 |

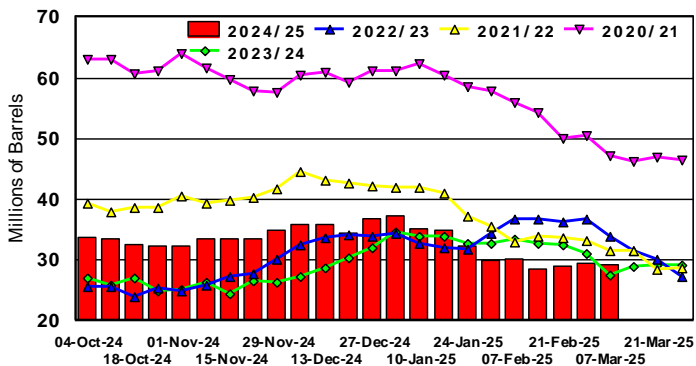
| Sprague HeatCurve October 2025-April 2026 | | \$2.1612 | |
|---|---|-----------|-----------|
| | | Close | |
| Crude - WTI | May Brent- WTI Spread \$3.57 | \$67.3800 | \$1.4500 |
| Crude - Brent | | \$70.9500 | \$1.3900 |
| Natural Gas | | \$4.0840 | -\$0.3690 |
| Gasoline | | \$2.1501 | \$0.0451 |

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

| Distillate Stocks (in million bbl) | Week Ending Feb. 28, 2025 | Week Ending Feb. 21, 2024 | Week Ending Feb. 23, 2024 |
|------------------------------------|---------------------------|---------------------------|---------------------------|
| New England | 4.0 | 4.3 | 4.8 |
| Central Atlantic | 14.9 | 13.6 | 16.1 |
| Total PADD #1 | 29.4 | 28.8 | 31.1 |
| Distillate Imports (thousands b/d) | 245 | 342 | 162 |