

Market Commentary

Recap: The crude market on Wednesday weighed the news that Russia agreed to stop attacking Ukrainian energy facilities against the continued tensions in the Middle East after Israel announced the resumption of airstrikes and ground operations in Gaza and the U.S. hit targets across Yemen against the Houthis militia. The market traded lower in overnight trading after Russia agreed to a U.S. proposal that Russia and Ukraine temporarily stop attacking each other's energy infrastructure although Russia stopped short of agreeing to a full 30-day ceasefire that U.S. President Trump had hoped for. The oil market traded to a low of \$66.21 before it bounced off that level amid reports that Russia and Ukraine accused each other of continued air strikes. The market also continued to retrace its overnight losses in light of the draws reported by the EIA in both distillate and gasoline stocks in the week ending March 14th, with a large draw of 2.8 million barrels in distillates stocks. It retraced more than 50% of its move from Monday's high of \$68.72 to its low of \$66.21 as it posted a high of \$67.63 in afternoon trading. The market later erased some of its gains, trading below the \$67.00 level after the Fed left interest rates unchanged but projected a growth slowdown. The April WTI contract settled up 26 cents at \$67.16 and the May Brent contract settled up 22 cents at \$70.78. The product markets ended the session higher, with the heating oil market settling up 3.74 cents at \$2.2319 and the RB market settling up 12 points at \$2.1696.

Technical Analysis: The oil market will remain range bound within its recent trading range. The prospect of a full ceasefire between Ukraine and Russia remains uncertain after they accused each other of violating a new agreement to refrain from attacking their energy targets. Talks for a peace deal are expected to begin in Riyadh in the next few days. The market will remain supported by the continuing tension in the Middle East, with Israel resuming its ground operation in Gaza and the Houthis militia threatening to expand their targets in Israel unless Israel halts its operations in Gaza. The oil market is seen finding support at its low of \$66.21, \$66.15 and \$65.22. Meanwhile, resistance is seen at \$67.63, \$68.23, \$68.72, \$68.94 and \$70.60.

Fundamental News: On Wednesday, U.S. President Donald Trump said he discussed Russian and Ukrainian requests and needs for a peace deal in an hour-long call with Ukrainian President Volodymyr Zelenskyy. He said "Much of the discussion was based on the call made yesterday with President Putin in order to align both Russia and Ukraine in terms of their requests and needs." He added "We are very much on track."

Russia and Ukraine accused each other on Wednesday of launching air attacks that struck civilian targets including infrastructure, just hours after Russia's President Vladimir Putin told U.S. President Donald Trump he would pause attacks on Ukraine's energy system.

The U.S. hit targets across Yemen in airstrikes overnight, including Saada province and the Red Sea port city of Hodeidah. Houthi-run Al Masirah TV reported more than 10 strikes on various locations, including the Al-Safra district of Saada.

The Federal Reserve held interest rates steady on Wednesday, as expected, but U.S. central bank policymakers indicated they still anticipate reducing borrowing costs by half a percentage point by the end of this year in the context of slowing economic growth and, eventually, a downturn in inflation. Fed officials increased their outlook for inflation this year, with their preferred measure of price increases expected to end the year at 2.7% versus the 2.5% pace anticipated in December. The Fed targets inflation at 2%. However, they also lowered the outlook for economic growth for this year from 2.1% to 1.7%, with slightly higher unemployment by the end of this year. Underlying inflation beyond 2025 was unchanged from the Fed's projections in December, expected to return to 2% by the end of 2027.

Early Market Call - as of 8:35 AM EDT

WTI - Apr \$67.27, up 11 cents

RBOB - Apr \$2.1584, down 1.12 cents

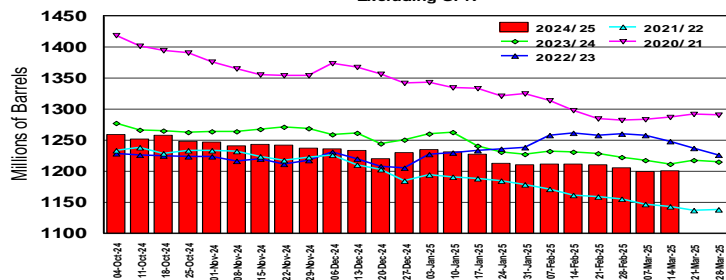
HO - Apr \$2.2331, up 12 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.2319	0.0374	0.0256
May-25	2.1870	0.0299	0.0082
Jun-25	2.1596	0.0219	0.0045
Jul-25	2.1530	0.0186	0.0046
Aug-25	2.1531	0.0166	0.0044
Sep-25	2.1609	0.0157	0.0044
Oct-25	2.1691	0.0146	0.0046
Nov-25	2.1724	0.0138	0.0050
Dec-25	2.1720	0.0135	0.0059
Jan-26	2.1744	0.0133	0.0068
Feb-26	2.1709	0.0130	0.0076
Mar-26	2.1605	0.0125	0.0081
Apr-26	2.1447	0.0122	0.0085
May-26	2.1366	0.0117	0.0083
Jun-26	2.1315	0.0112	0.0084
Jul-26	2.1334	0.0107	0.0072
Aug-26	2.1364	0.0101	0.0065

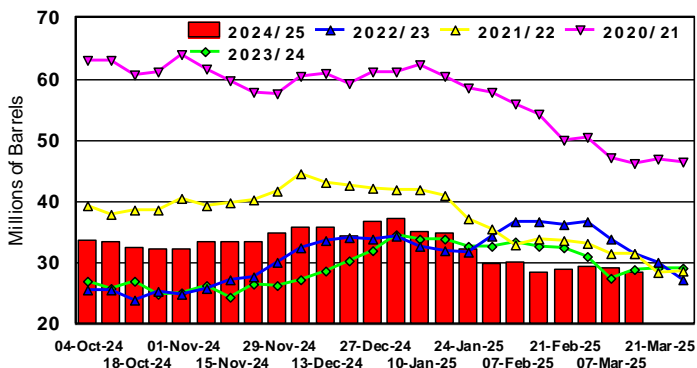
Sprague HeatCurve October 2025-April 2026		\$2.1680	
		Close	
Crude - WTI	May Brent- WTI Spread \$3.87	\$66.9100	\$0.1600
Crude - Brent		\$70.7800	\$0.2200
Natural Gas		\$4.2470	\$0.1950
Gasoline		\$2.1696	\$0.0012

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending March 14, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 1.745 million barrels
Cushing, OK Crude Stocks Down 1.009 million barrels
Gasoline Stocks Down 527,000 barrels
Distillate Stocks Down 2.812 million barrels
Refinery % Operated 86.9%, up 0.4%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Mar. 14, 2025	Week Ending Mar. 7, 2024	Week Ending Mar. 15, 2024
New England	4.0	4.0	4.5
Central Atlantic	14.7	15.1	13.8
Total PADD #1	28.3	29.2	29.0
Distillate Imports (thousands b/d)	226	227	152