

Market Commentary

Recap: The WTI crude oil market traded lower on Tuesday, breaking a four day winning streak, on news that the U.S. reached separate agreements with Ukraine and Russia that may pave the way to an end of the war between Ukraine and Russia. In follow through strength seen on Monday, the market breached its previous high and retraced more than 38% of its move from a high of \$76.57 to a low of \$64.85. It posted a high of \$69.68 by mid-morning on expectations that supply may tighten after the Trump administration on Monday announced tariffs on countries that buy Venezuelan crude. The market, however, erased its gains and sold off to a low of \$68.52 on the news that truce agreements were reached with Ukraine and Russia covering the Black Sea and energy infrastructure. The market later bounced off its low and traded in a sideways trading range during the remainder of the session. The May WTI contract settled down 11 cents at \$69.00, while the May Brent contract settled up 2 cents at \$73.02. The product markets ended the session higher, with the heating oil market settling up 2.11 cents at \$2.2859 and the RB market settling up 21 points at \$2.2087.

Technical Analysis: The oil market will continue to weigh the tariff news, with loadings of Venezuela's heavy crude already slowing down, against the agreements signed by Ukraine and Russia that may pave the way for a more comprehensive truce between the two countries. The market will also look to the weekly petroleum stocks reports for further direction. The reports are expected to show a draw in crude stocks of 1 million barrels for the week ending March 21st. However, the market's gains will remain limited by expectations that OPEC+ will stick to its plan to raise oil output for a second consecutive month in May. The crude market is seen finding resistance at its high of \$69.68, \$70.19, \$70.71, \$70.98 and \$72.09. Meanwhile, support is seen at \$68.52, \$67.95, \$67.65, \$66.63, \$66.08, \$65.83, \$65.00 and \$64.85.

Fundamental News: The United States said it has reached separate agreements with Ukraine and Russia to ensure safe navigation in the Black Sea and to implement a ban on strikes against energy facilities in the two countries. Ukraine's President, Volodymyr Zelenskyy, said a truce covering the Black Sea and energy infrastructure was effective immediately on Tuesday and that he would seek more weapons and sanctions on Russia from Donald Trump if Russia broke the deals. Russia also confirmed that Moscow agreed to ensure safe navigation in the Black Sea. The Kremlin added that Russia and the U.S. also agreed to develop measures to halt strikes on Russian and Ukrainian energy facilities for a period of 30 days that started on March 18th.

China's Foreign Ministry said the country firmly opposes the move by the United States to penalize countries that buy oil and gas from Venezuela with tariffs on trades with the United States. Trade of Venezuelan oil to China stalled on Tuesday following U.S. President Donald Trump's order threatening tariffs on countries buying from Caracas created new uncertainty, days after U.S. sanctions targeted China's imports from Iran. Chinese traders and refiners said they were waiting to see how the order would be implemented and whether China will direct them to stop buying, although several industry insiders said they expect flows ultimately would continue, noting the frequent shifts in Trump's tariff threats. China is Venezuela's largest oil buyer, directly and indirectly taking in 503,000 bpd of Venezuelan crude and fuel or 55% of its exports, that is mostly rebranded as Malaysian after transshipment.

Executives from the world's top commodity trading houses, speaking at the FT Commodities Global Summit, said they expect a well-supplied oil market this year, with concerns remaining over global demand growth. They said oil prices could continue to fall as global supply increases, including with OPEC+'s plan to unwind voluntary output cuts in coming months.

Early Market Call - as of 8:40 AM EDT

WTI - Apr \$69.57, up 57 cents
 RBOB - Apr \$2.2221, up 1.34 cents
 HO - Apr \$2.3000, up 1.41 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	\$2.2859	\$0.0288	\$0.0914
May-25	\$2.2433	\$0.0237	\$0.0862
Jun-25	\$2.2125	\$0.0180	\$0.0748
Jul-25	\$2.2043	\$0.0154	\$0.0699
Aug-25	\$2.2018	\$0.0134	\$0.0653
Sep-25	\$2.2055	\$0.0115	\$0.0603
Oct-25	\$2.2103	\$0.0096	\$0.0558
Nov-25	\$2.2116	\$0.0087	\$0.0530
Dec-25	\$2.2101	\$0.0085	\$0.0516
Jan-26	\$2.2109	\$0.0079	\$0.0498
Feb-26	\$2.2061	\$0.0071	\$0.0482
Mar-26	\$2.1939	\$0.0062	\$0.0459
Apr-26	\$2.1761	\$0.0052	\$0.0436
May-26	\$2.1655	\$0.0042	\$0.0406
Jun-26	\$2.1580	\$0.0029	\$0.0377
Jul-26	\$2.1578	\$0.0014	\$0.0351
Aug-26	\$2.1588	\$0.0004	\$0.0325

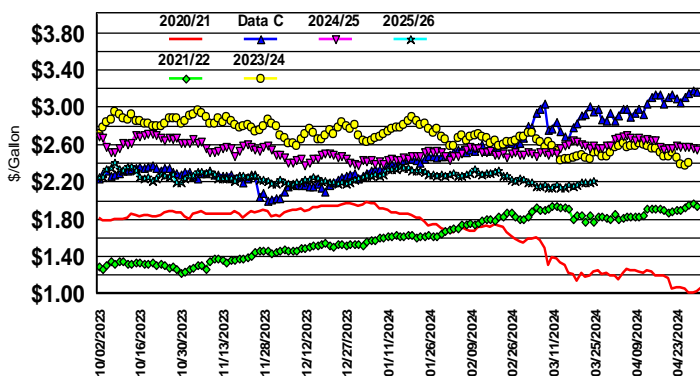
Sprague HeatCurve October 2025-April 2026			\$2.2042
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.02	\$69.0000	-\$0.1100
Crude - Brent		\$73.0200	\$0.0200
Natural Gas		\$3.8400	-\$0.0740
Gasoline		\$2.2087	\$0.0021

API Report for the Week Ending March 21, 2024

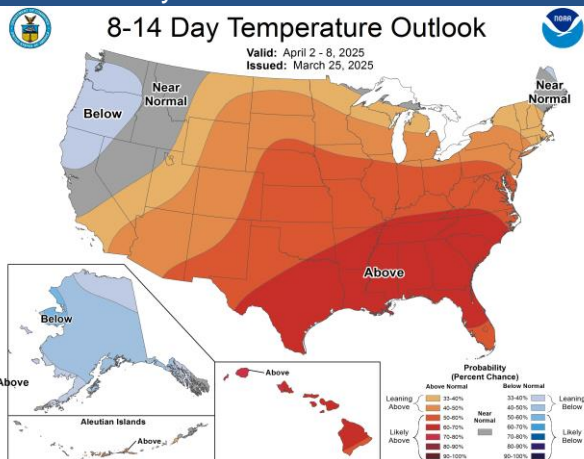
	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.6million barrels	Down 1 million barrels
Gasoline Stocks	Down 3.28 million barrels	Down 1.8 million barrels
Distillate Stocks	Down 1.35 million barrels	Down 1.6 million barrels
Refinery Runs		Up 0.5% at 87.4%

Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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