

Market Commentary

Recap: The oil market posted an inside trading day on Monday following the widely expected extension of voluntary output cuts through the middle of the year by OPEC+. On Sunday, OPEC+ decided to extend their voluntary oil output cuts of 2.2 million bpd into the second quarter to cushion the market. The crude market also saw some retracement of Friday's gains as pressures are mounting for a ceasefire between Israel and Hamas. The market posted a high of \$80.41 in overnight trading, failing to trade higher after the OPEC+ announcement as the market had already priced in an extension of the output cuts. The oil market continued to trend lower and sold off to a low of \$78.56 in afternoon trading as the U.S. said a temporary ceasefire in Gaza was essential to a hostage deal and called on Hamas to accept the terms currently on the table. The April WTI contract settled down \$1.23 at \$78.74 and the May Brent contract settled down 75 cents at \$82.80. The product markets ended the session in negative territory, with the heating oil market leading them lower amid above normal temperatures seen in the Midwest and Northeast. The heating oil market settled down 5.7 cents at \$2.6472 and the RB market settled down 2.87 cents at \$2.5857.

Technical Analysis: The crude market is seen continuing its sideways trading after the market traded lower following the OPEC+ decision. The market will also remain headline driven as it awaits news on a possible ceasefire in Gaza. Technically, its stochastics are also still trending sideways. The market is seen finding support at its low of \$78.56, \$78.05, \$77.94, \$77.78 and \$77.17. More distant support is seen at \$75.84 and \$75.52-\$75.49. Meanwhile, resistance is seen at its highs of \$80.41 and \$80.85 followed by \$81.50, \$82.00 and \$82.61.

Fundamental News: OPEC+ members, led by Saudi Arabia and Russia, on Sunday agreed to extend voluntary oil output cuts of 2.2 million bpd into the second quarter, giving extra support to the market amid concerns over global growth and increasing output outside the group. Saudi Arabia said it would extend its voluntary cut of 1 million bpd through the end of June, leaving its output at around 9 million bpd. Russia will cut its oil production and exports by an extra 471,000 bpd in the second quarter. Russian Deputy Prime Minister Alexander Novak gave new figures showing that cuts from production will make up an increasing proportion of the measure. He said in April, Russia will reduce output by an extra 350,000 bpd, with exports cut by 121,000 bpd. In May, the extra output cut will be 400,000 bpd and exports cut by 71,000 bpd. In June, all the additional cuts will be from oil output. Saudi state news agency SPA said the cuts would be reversed gradually, according to market conditions. For the second quarter, Iraq will extend its 220,000 bpd output cut, UAE will keep in place its 163,000 bpd output cut and Kuwait will maintain its 135,000 bpd output cut. Algeria also said it would cut by 51,000 bpd and Oman by 42,000 bpd. Kazakhstan said it will extend its voluntary cuts of 82,000 bpd through the second quarter. According to Reuters calculations, the total OPEC+ pledged cuts since 2022 stand at about 5.86 million bpd, equal to about 5.7% of daily world demand. OPEC+ is scheduled to meet on April 3rd to review market conditions and assess members' production data, while output policy for the second half of the year will be discussed on June 1st.

IIR Energy said U.S. oil refiners are expected to shut in about 1.6 million bpd of capacity in the week ending March 8th, increasing available refining capacity by 284,000 bpd. Offline capacity is expected to fall to 712,000 bpd in the week ending March 15th.

According to the draft text of a funding bill, the U.S. may sell its 1 million barrel Northeast gasoline reserve in fiscal year 2024. The proceeds from the sale of the refined products in the reserve would be deposited into the Treasury's general fund. The bill stipulates that once the Northeast Gasoline Supply Reserve is closed, the secretary of energy cannot establish any new regional petroleum product reserve unless funding is explicitly requested in advance of an annual budget submitted by the president and approved by Congress.

Early Market Call - as of 8:15 AM EDT

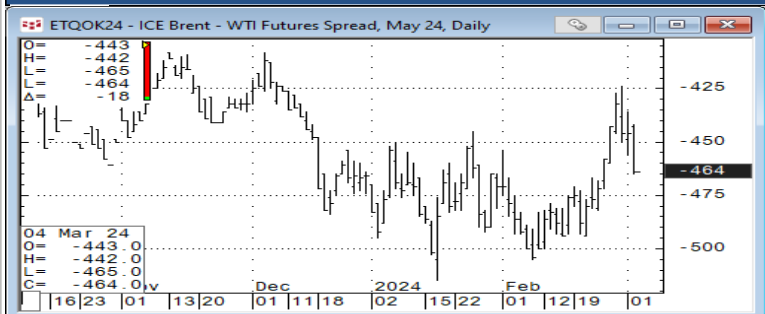
WTI - April \$77.85, down 90 cents
 RBOB - April \$2.5447, down 4.1 cents
 HO - April \$2.6280, down 1.92 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6472	-0.0570	-0.0601
May-24	2.5972	-0.0438	-0.0351
Jun-24	2.5610	-0.0351	-0.0241
Jul-24	2.5485	-0.0295	-0.0157
Aug-24	2.5422	-0.0259	-0.0107
Sep-24	2.5421	-0.0238	-0.0085
Oct-24	2.5396	-0.0220	-0.0075
Nov-24	2.5312	-0.0205	-0.0059
Dec-24	2.5166	-0.0196	-0.0042
Jan-25	2.5044	-0.0184	-0.0030
Feb-25	2.4886	-0.0180	-0.0028
Mar-25	2.4688	-0.0176	-0.0032
Apr-25	2.4428	-0.0171	-0.0029
May-25	2.4243	-0.0171	-0.0030
Jun-25	2.4079	-0.0170	-0.0027
Jul-25	2.3967	-0.0176	-0.0037
Aug-25	2.3881	-0.0183	-0.0050

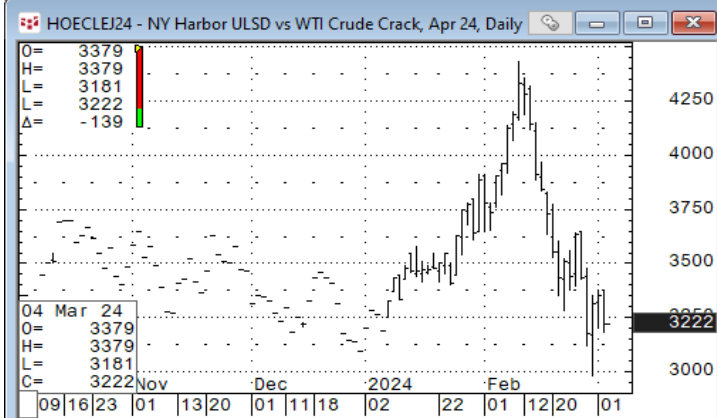
Sprague HeatCurve October 2024-April 2025			\$2.4983
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.63	\$78.1700	-\$1.2300
Crude - Brent		\$82.8000	\$0.7500
Natural Gas		\$1.9160	\$0.0810
Gasoline		\$2.5857	-\$2.8700

ICE May Brent-WTI Spread



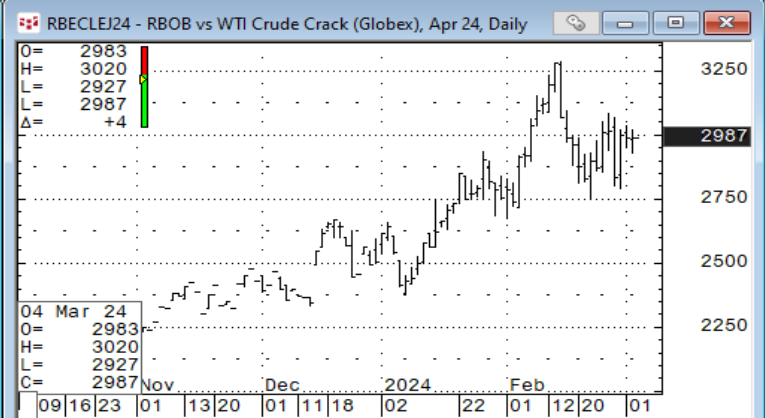
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April Heating Oil Crack Spread



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April RBOB Crack Spread



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