

Market Commentary

Recap: The crude market on Tuesday traded higher as the market focused on uncertainty over a potential Gaza ceasefire and expectations that OPEC+ will extend voluntary supply cuts in March. Israel, Hamas and Qatari mediators remained cautious about the progress towards a truce in Gaza, after U.S. President Joe Biden said he believed a ceasefire could be reached by Monday to halt the war ahead of Ramadan, which is expected to start on March 10th. The market traded lower in overnight trading and posted a low of \$77.17 on the prospect of a ceasefire between Israel and Hamas. However, the market bounced off its low and retraced its previous losses. It extended its gains to over \$1.40 as it posted a high of \$79.00. The market was well supported by expectations that OPEC+ will announce a rollover of voluntary production quotas into the second quarter and even for the rest of the year. The April WTI contract settled up \$1.29 at \$78.87 and the April Brent contract settled up \$1.12 at \$83.65. The product markets ended the session in mixed territory, with the heating oil market settling down 1.67 cents at \$2.7460 and the RB market settling up 3.88 cents at \$2.3444.

Technical Analysis: The market will likely retrace some of its gains ahead of the release of the weekly petroleum stocks reports, which are expected to show builds in crude stocks of 2 million barrels on the week. The market will remain headline driven as the market awaits to hear on whether a ceasefire between Israel and Hamas has been reached. The market will also look for further direction from a possible extension of the OPEC+ output cuts in March. Technically, the oil market is seen finding resistance at its high of \$79.00, \$79.09, \$79.36 and \$80.00. Meanwhile, support is seen at \$77.17, \$75.84, \$75.52-\$75.49, \$75.21 and \$74.33.

Fundamental News: Israel and Hamas as well as Qatari mediators were all cautious about the progress towards a truce in Gaza after U.S. President Joe Biden said he believed a ceasefire could be reached in under a week to halt the war for the Muslim holy month of Ramadan. Hamas is considering a proposal, agreed by Israel at talks with mediators in Paris for a ceasefire that would suspend fighting for 40 days, which would be the first extended truce. A senior source close to the talks said that the Islamist group was studying a draft proposal that includes allowing in a significant amount of humanitarian aid, as well as swapping Palestinian prisoners in exchange for hostages captured in the Hamas attack that triggered the war. The proposal is the most serious attempt in weeks to halt the fighting, and comes ahead of the Muslim fasting month of Ramadan and with international pressure mounting on Israel to stop the killing of Palestinian civilians. Ramadan this year is expected to begin on the evening of March 10th. Delegations from Hamas and Israel are both in Qatar this week for so-called proximity talks, held in the same city through mediators. However, Qatar said a breakthrough had yet to be reached. Two senior Hamas officials said that President Joe Biden's remarks appearing to suggest that an agreement had already been reached in principle were premature.

Yemen's Houthis said they could only reconsider their missile and drone attacks on international shipping in the Red Sea once Israel ends its "aggression" in the Gaza Strip. Houthi spokesman, Mohammed Abdul salam, said the situation would be reassessed if the siege of Gaza ended and humanitarian aid was free to enter.

On Tuesday, Russia ordered a six-month ban on gasoline exports starting March 1st to keep prices stable amid increasing demand from consumers and farmers and to allow for maintenance of refineries.

According to sources, OPEC+ will consider extending voluntary oil output cuts into the second quarter to provide additional support for the market and could keep them in place until the end of the year.

The Chairman of Libya's National Oil Corporation, Farhat Bengdara, said the country's oil output has reached about 1.25 million bpd.

Early Market Call - as of 8:30 AM EDT

WTI - April \$78.71, down 16 cents
 RBOB - March \$2.3291, down 1.53 cents
 HO - March \$2.7232, down 2.28 cents

All NYMEX | Prior Settlements

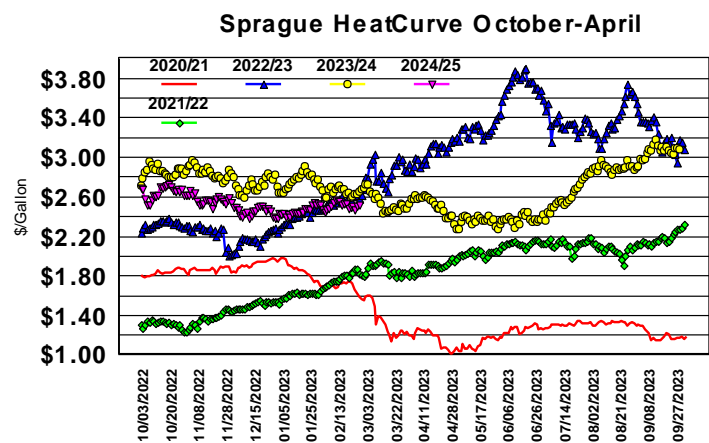
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	2.7460	-0.0167	0.0145
Apr-24	2.6977	-0.0096	0.0190
May-24	2.6307	-0.0016	0.0249
Jun-24	2.5891	0.0040	0.0332
Jul-24	2.5717	0.0075	0.0349
Aug-24	2.5619	0.0090	0.0359
Sep-24	2.5600	0.0094	0.0359
Oct-24	2.5564	0.0093	0.0341
Nov-24	2.5461	0.0090	0.0319
Dec-24	2.5295	0.0087	0.0306
Jan-25	2.5155	0.0081	0.0289
Feb-25	2.4993	0.0079	0.0292
Mar-25	2.4792	0.0072	0.0306
Apr-25	2.4524	0.0067	0.0306
May-25	2.4333	0.0060	0.0298
Jun-25	2.4162	0.0056	0.0283
Jul-25	2.4054	0.0050	0.0274

Sprague HeatCurve October 2024-April 2025			\$2.5102
		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$4.78	\$78.8700	\$1.2900
Crude - Brent		\$83.6500	\$1.1200
Natural Gas		\$1.6150	-\$0.0440
Gasoline		\$2.3444	\$0.0388

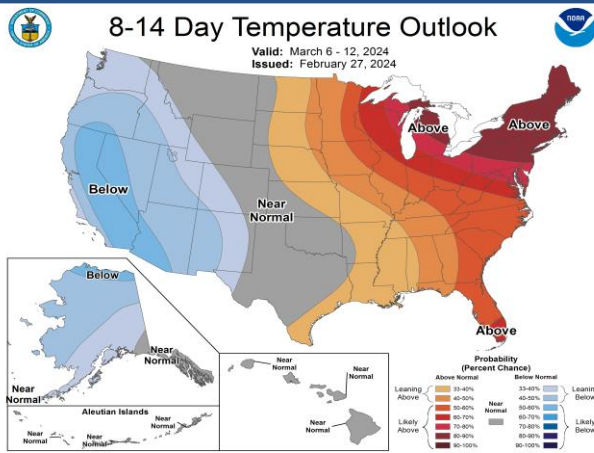
API Report for the Week Ending February 23, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 8.43 million barrels	Up 2 million barrels
Gasoline Stocks	Down 3.27 million barrels	Down 2.1 million barrels
Distillate Stocks	Down 523,000 barrels	Down 500,000 barrels
Refinery Runs		Up 2%, at 82.6%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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