

## Market Commentary

**Recap:** On Friday, the oil market erased Thursday's gains and posted a weekly decline of 2.51% after Federal Reserve officials continued to push back against a near-term start to interest rate cuts. On Thursday evening, Fed Governor Christopher Waller said U.S. Federal Reserve policymakers should delay interest rate cuts by at least another couple of months. The market was pressured as a delay in cutting interest rates could slow economic growth and curb oil demand. The market posted a high of \$78.39 in overnight trading before it began to erase its previous gains. The crude market extended its losses to over \$2.20 as it sold off to a low of \$76.35 in afternoon trading. The market was also pressured amid the news that Israel's Prime Minister Benjamin Netanyahu's war cabinet approved sending negotiators to truce talks taking place in Paris on Friday. The April WTI contract retraced some of its losses ahead of the close and settled down \$2.12 at \$76.49. The April Brent contract settled down \$2.05 at \$81.62. The product markets ended the session in negative territory, with the heating oil market settling down 6.23 cents at \$2.6897 and the RB market settling down 5.8 cents at \$2.2767.

**Technical Analysis:** The crude oil market will remain headline driven following the Gaza truce talks in Paris over the weekend. A Hamas official said the group had ended ceasefire talks in Cairo and was waiting to see what mediators bring back following the weekend talks with Israel. The market will also remain driven by the expectations of a delay in interest rate cuts. Technically, the market remains in overbought territory and stochastics look ready to cross to the downside. The market is seen finding support at its low of \$76.35-\$76.32, \$76.08, \$75.52-\$75.49, \$75.21 and \$74.33. More distant support is seen at \$73.65. Meanwhile, resistance is seen at \$78.39, \$78.92, \$79.09 and \$79.36.

**Fundamental News:** Israel will take part in negotiations this weekend in Paris with the U.S., Qatar and Egypt on a potential deal for a ceasefire and release of hostages in Gaza. The last talks on a ceasefire failed two weeks ago, when Israeli Prime Minister Benjamin Netanyahu rejected as "delusional" a Hamas proposal for a 4-½ month truce that would end with an Israeli withdrawal. However, the head of Palestinian militant group Hamas, Ismail Haniyeh, was in Egypt this week, in the strongest sign in weeks that negotiations remain alive. Israel's Channel 12 television reported that the war cabinet had approved sending negotiators, led by the head of Mossad intelligence service David Barnea, to Paris on Friday for talks on a potential deal to free more than 100 hostages kidnapped from Israel in October whom Hamas is still believed to be holding. CIA Director William Burns, Qatar's Prime Minister Sheikh Mohammed bin Abdulrahman Al Thani and Egyptian intelligence chief Abbas Kamel will also participate in the Paris meetings.

Baker Hughes said U.S. energy firms this week added oil and natural gas rigs for the second time in three weeks. The oil and gas rig count increased by five to 626 in the week to February 23<sup>rd</sup>, its highest since August 2023. Baker Hughes said U.S. oil rigs increased by six to 503 this week, while gas rigs fell by one to 120, the lowest level since February 2<sup>nd</sup>.

IIR Energy said U.S. oil refiners are expected to shut in about 1.8 million bpd of capacity in week ending February 23<sup>rd</sup>, increasing available refining capacity by 431,000 bpd. Offline capacity is expected to fall to 1.6 million bpd in the week ending March 1<sup>st</sup> and to 913,000 bpd in the week ending March 8<sup>th</sup>.

BP Plc is continuing the phased restart of its 435,000 bpd Whiting, Indiana refinery. The refinery was shut by a February 1<sup>st</sup> plant-wide power outage. Retail gasoline prices in Chicago have climbed 20 cents a gallon since the outage.

Exxon Mobil Corp reported operations requiring flaring at its 619,024 bpd Beaumont, Texas refinery.

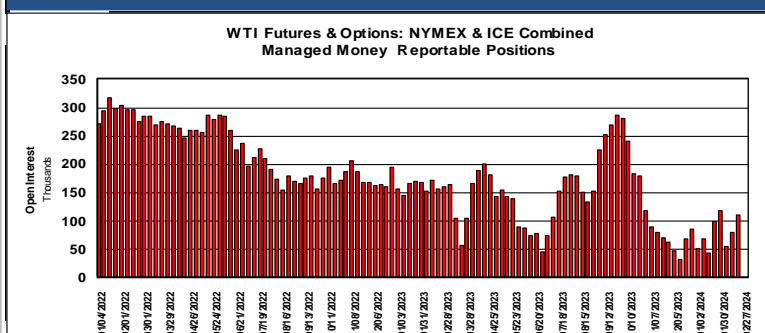
**Early Market Call - as of 9:00 AM EDT**

WTI - April \$76.37, down 12 cents  
 RBOB - March \$2.2897, up 1.3 cents  
 HO - March \$2.7161, up 2.64 cents

## All NYMEX | Prior Settlements

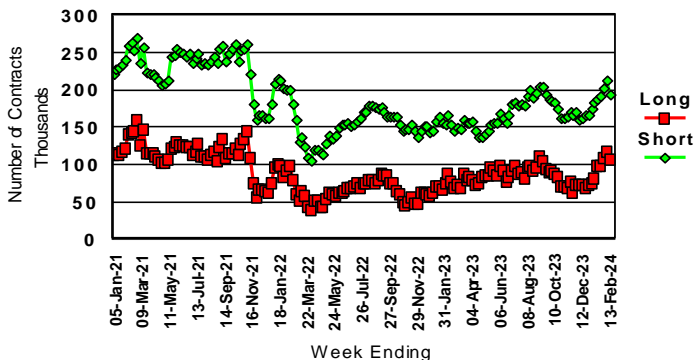
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6897	-0.0623	-0.1169
May-24	2.6411	-0.0622	-0.1110
Jun-24	2.5730	-0.0555	-0.1028
Jul-24	2.5327	-0.0497	-0.0861
Aug-24	2.5167	-0.0452	-0.0786
Sep-24	2.5084	-0.0408	-0.0722
Oct-24	2.5075	-0.0369	-0.0678
Nov-24	2.5050	-0.0353	-0.0665
Dec-24	2.4959	-0.0349	-0.0662
Jan-25	2.4801	-0.0350	-0.0650
Feb-25	2.4678	-0.0342	-0.0633
Mar-25	2.4526	-0.0337	-0.0603
Apr-25	2.4338	-0.0329	-0.0556
May-25	2.4087	-0.0324	-0.0526
Jun-25	2.3906	-0.0327	-0.0509
Jul-25	2.3754	-0.0322	-0.0492
Aug-25	2.3668	-0.0311	-0.0469

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$5.13	\$76.4900	-\$2.1200
Crude - Brent		\$81.6200	-\$2.0500
Natural Gas		\$1.6030	-\$0.1290
Gasoline		\$2.2767	-\$0.0580



## Commitment of Traders Report for the Week Ending February 20, 2024

**Producer/Merchant Heat Posits**  
 CFTC Commitment of Traders Report



**Managed Money Heat Posits**  
 CFTC Commitment of Traders Report

