

## Market Commentary

**Recap:** The oil market continued on its upward trend on Monday following Friday's inside trading day. The market was well supported by news of Ukraine's attacks on Russian energy infrastructure, with fires breaking out at two refineries over the weekend. The market posted a low of \$81.01 in overnight trading before it bounced off that level and rallied higher throughout the session. The market was also supported by news of economic growth in China, as industrial output increased by 7% on the year in the January-February period following a 6.8% pace in December and surpassed expectations. Also, lower exports from Iraq and Saudi Arabia helped support the market, with Iraq stating it would cut its crude exports to 3.3 million bpd to compensate for exceeding its OPEC+ quota since January. Saudi Arabia cut its exports for a second consecutive month in January. The crude market rallied to a high of \$82.88 ahead of the close. The April WTI contract settled up \$1.68 at \$82.72. It continued to extend its gains in the post settlement period as it posted a high of \$83.06. The May Brent contract settled up \$1.55 at \$86.89. The product markets ended the session higher, with the heating oil market leading the way as it settled up 6.12 cents at \$2.7882 and the RB market settling up 3.65 cents at \$2.7573.

**Technical Analysis:** The crude market is seen retracing some of its gains as the market will trend sideways ahead of the end of the Federal Reserve's two-day meeting on Wednesday, when Fed officials are expected to keep interest rates unchanged. The market is seen finding resistance at its high of \$83.09 followed by \$83.71, \$84.66 and \$85.08. However, support is seen at its low of \$81.01, \$80.49, \$79.57, \$78.66, \$77.57, \$77.34, \$77.29, \$76.79 and \$75.92.

**Fundamental News:** Saudi Aramco CEO Amin Nasser said on March 18<sup>th</sup> he saw higher oil demand above 104 million b/d in 2025 and described the phase-out of fossil fuels as a "fantasy", in a robust defense of fossil fuels industries in remarks at CERAAWeek by S&P Global in Houston.

U.S. Energy Secretary, Jennifer Granholm, said U.S. oil stocks in the SPR at year-end will be at or exceeding the level that would have existed prior to massive sales two years ago.

The EIA said in its monthly Drilling Productivity Report that U.S. oil output from top shale-producing regions in April will increase to its highest level in four months. Production from the top basins will reach 9.77 million bpd, its highest level since December. Oil output in the Permian basin is expected to increase by about 8,200 bpd to 6.1 million bpd, the third highest monthly output on record. Production in Eagle Ford is forecast to increase to 1.14 million bpd, the highest level since November and production in Bakken increased to 1.23 million bpd, the strongest level since December.

Data from the Joint Organizations Data Initiative showed Saudi Arabia's crude oil exports fell in January for a second consecutive month. Saudi Arabia's crude exports fell 0.2% to 6.297 million bpd, down from 6.308 million bpd in December. The country's crude production increased to 8.956 million bpd from 8.944 million bpd in December.

Iraq's Oil Ministry said Iraq will reduce its crude exports to 3.3 million bpd in the coming months to compensate for any increase above its OPEC+ quota in January and February. Iraq's production quota is 4 million bpd under the voluntary cuts. The secondary sources, which provide data on OPEC+ members' production, reported Iraq's production at 4.2 million bpd in February. Earlier this month, Iraq's Oil Ministry said the country's oil exports averaged 3.43 million bpd in February.

IIR Energy reported that U.S. oil refiners are expected to shut in about 775,000 bpd of capacity in the week ending March 22<sup>nd</sup>, increasing available refining capacity by 329,000 bpd.

**Early Market Call - as of 8:30 AM EDT**

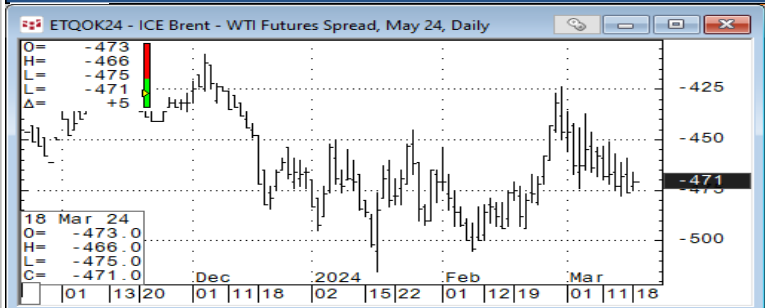
WTI - April \$82.76, up 4 cents  
 RBOB - April \$2.7407, down 1.66 cents  
 HO - April \$2.7632, down 2.5 cents

## All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.7882	0.0612	0.1364
May-24	2.7617	0.0659	0.1556
Jun-24	2.7320	0.0641	0.1612
Jul-24	2.7133	0.0598	0.1566
Aug-24	2.7013	0.0561	0.1512
Sep-24	2.6965	0.0530	0.1455
Oct-24	2.6911	0.0508	0.1409
Nov-24	2.6794	0.0490	0.1370
Dec-24	2.6606	0.0469	0.1334
Jan-25	2.6456	0.0448	0.1295
Feb-25	2.6269	0.0427	0.1264
Mar-25	2.6042	0.0409	0.1241
Apr-25	2.5748	0.0384	0.1198
May-25	2.5507	0.0351	0.1138
Jun-25	2.5293	0.0313	0.1076
Jul-25	2.5151	0.0294	0.1032
Aug-25	2.5040	0.0278	0.0992

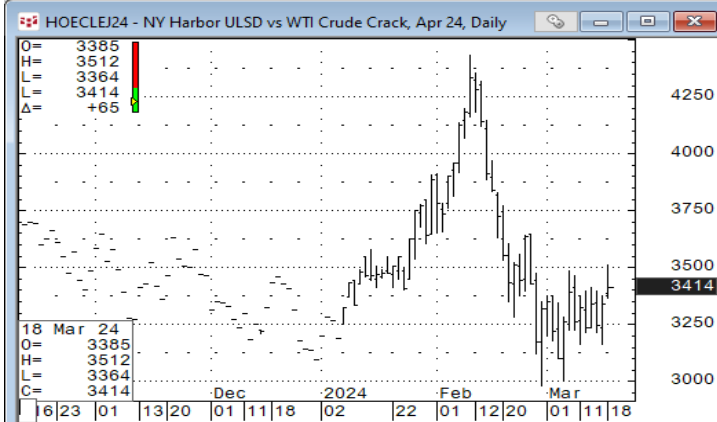
Sprague HeatCurve October 2024-April 2025		\$2.6393
	Close	Change
Crude - WTI	\$82.1600	\$1.5800
Crude - Brent	\$86.8900	\$1.5500
Natural Gas	\$1.7030	\$0.0480
Gasoline	\$2.7573	\$0.0365

### ICE May Brent-WTI Spread

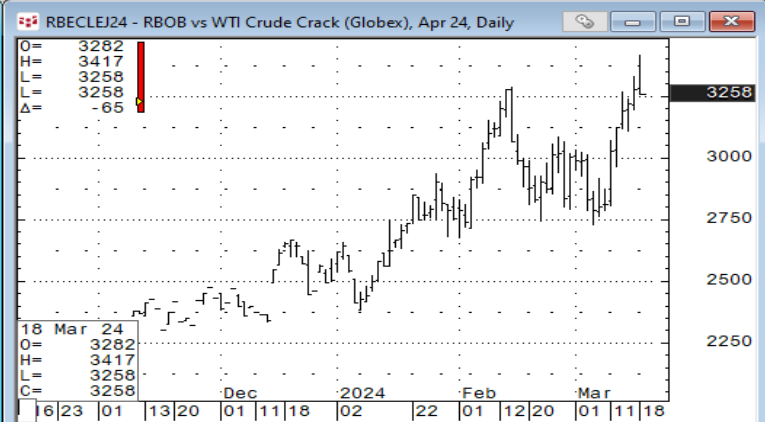


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## April Heating Oil Crack Spread



## April RBOB Crack Spread



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