

Market Commentary

Recap: The oil market continued to trend higher amid the continuing conflict in the Middle East. The market was further supported as OPEC stuck to its forecast for relatively strong growth in global oil demand in 2024 and 2025 and increased its economic growth forecasts for both years, saying there was further upside potential. The crude market posted a low of \$76.87 in overnight trading before it continued on its upward trend. However, the market's gains were limited by the Consumer Price Index, which increased more than expected in January. The U.S. dollar increased to a three-month peak after the data reinforced expectations that the Fed will hold interest rates in March. The market bounced off its low and posted a high of \$78.47 early in the afternoon after the U.S. rejected Russian President Vladimir Putin's suggestion of a ceasefire in Ukraine. The market later erased some of its gains ahead of the close. The March WTI contract settled up 95 cents at \$77.87 and the April Brent contract settled up 77 cents at \$82.77. The product markets ended the session mixed, with the heating oil market settling down 2.37 cents at \$2.8955 and the RB market settling up 2.73 cents at \$2.3946.

Technical Analysis: The crude market on Wednesday will be driven by the weekly petroleum stocks reports, which are expected to show builds in crude stocks and draws in product stocks. The market may see some retracement of its recent sharp gains. However, its losses will remain limited as the market awaits for updates of a meeting between U.S., Egyptian, Israeli and Qatari officials seeking a truce in Gaza. The market is seen finding resistance at its high of \$78.47, \$79.29, followed by \$78.11-\$78.14 and \$79.29. Further upside is seen at \$79.56 and \$80.08. Meanwhile, support is seen at its low of \$76.87, \$75.54, \$73.56, \$73.23, \$72.38 and \$71.41.

Fundamental News: OPEC stuck to its forecast for relatively strong growth in global oil demand in 2024 and 2025 and raised its economic growth forecasts for both years saying there was further upside potential. In its monthly report, OPEC said world oil demand will increase by 2.25 million bpd in 2024 and by 1.85 million bpd in 2025. Both forecasts were unchanged from last month. OPEC said a "positive trend" for economic growth was expected to extend into the first half of 2024 and raised its economic growth forecasts for 2024 and 2025 by 0.1 percentage points. The OPEC report also said that OPEC oil production fell by 350,000 bpd in January to 26.34 million bpd as a new round of voluntary output cuts by the OPEC+ alliance for the first quarter took effect.

OPEC Secretary General Haitham Al Ghais said the oil market is in a good state and rather stable. He added that he sees a strong global economy this year with positive implications for demand. He also said Saudi Arabia's decision to postpone its capacity expansion plans should not be translated to mean there is a view that demand is falling. He said the voluntary cuts show the inherent flexibility in OPEC+'s approach to managing the market.

S&P Global Commodities at Sea estimated that last week the U.S. exported close to 4 million b/d of crude oil, with the majority of it headed to the Netherlands.

Morgan Stanley raised its quarterly outlook for Brent crude prices as it now expects a balanced oil market this year having expected a surplus earlier. Morgan Stanley analysts said "Recent inventory declines suggest the oil market has been tighter than we initially expected." The bank expects Brent to average \$82.50/barrel in the first and second quarters of this year, compared with previous estimates of \$80/barrel and \$77.50/barrel, respectively. It raised forecasts for the last two quarters to \$80/barrel.

U.S., Egyptian, Israeli and Qatari officials were expected to meet in Cairo on Tuesday to seek a truce in Gaza as more than a million civilians crammed into a southern corner of the Palestinian enclave, waiting in fear for an Israeli assault.

Early Market Call - as of 8:25 AM EDT

WTI - March \$78.11, up 24 cents

RBOB - March \$2.3933, down 13 points

HO - March \$2.8960, up 1 point

All NYMEX | Prior Settlements

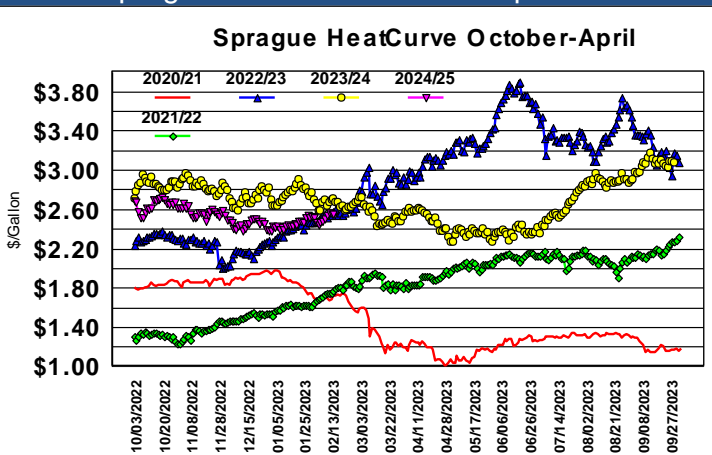
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	2.8959	-0.0237	0.1532
Apr-24	2.8285	-0.0092	0.1491
May-24	2.7436	-0.0004	0.1341
Jun-24	2.6771	0.0028	0.1219
Jul-24	2.6486	0.0040	0.1171
Aug-24	2.6303	0.0043	0.1119
Sep-24	2.6218	0.0027	0.1047
Oct-24	2.6154	0.0003	0.0973
Nov-24	2.6018	-0.0013	0.0899
Dec-24	2.5801	-0.0017	0.0828
Jan-25	2.5615	-0.0013	0.0773
Feb-25	2.5387	-0.0013	0.0705
Mar-25	2.5111	-0.0010	0.0646
Apr-25	2.4779	-0.0002	0.0587
May-25	2.4527	0.0000	0.0538
Jun-25	2.4317	0.0004	0.0505
Jul-25	2.4173	0.0012	0.0480

Sprague HeatCurve October 2024-April 2025		\$2.5539
	Close	Change
Crude - WTI	\$77.5600	\$0.7400
Crude - Brent	\$82.7700	\$0.7700
Natural Gas	\$1.6890	-\$0.0790
Gasoline	\$2.3946	\$0.0273

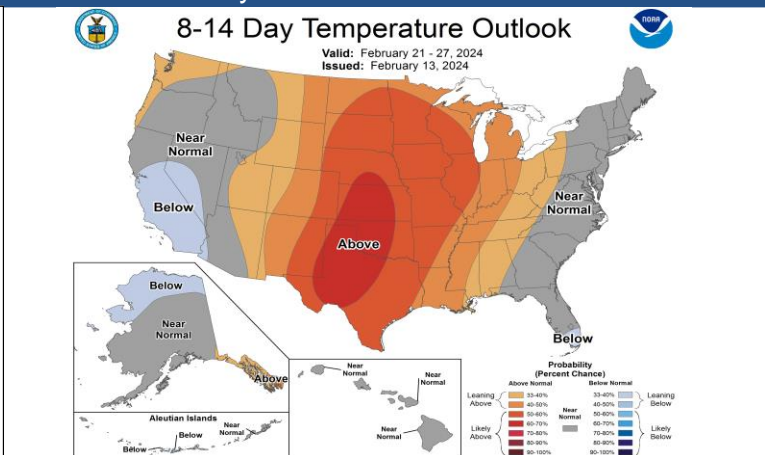
API Report for the Week Ending February 9, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 8.52 million barrels	Up 2.6 million barrels
Gasoline Stocks	Down 7.23 million barrels	Down 1.2 million barrels
Distillate Stocks	Down 4.02 million barrels	Down 1.6 million barrels
Refinery Runs		Down 0.3%, at 82.1%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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