

Market Commentary

Recap: The oil market on Friday retraced more of its previous gains following Thursday's early sell off at the opening. The crude market opened 14 cents higher at \$68.70 and posted a low of \$68.48 in overnight trading before it bounced higher. The market traded higher as the equities market was supported by a better than expected jobs report, which helped ease fears of an imminent economic downturn, in part caused by renewed banking fears. The oil market extended its gains to \$3.20 and retraced more than 38% of its move from a high of \$83.38 to Thursday's low of \$63.64 as it traded to \$71.76 by mid-morning. The market traded in a sideways trading range before it found further strength ahead of the close and breached its resistance at Wednesday's high of \$71.79. The June WTI contract rallied to a high of \$71.81 and settled up \$2.78 or 4.05% at \$71.34. However, it still ended the week down \$5.44 or 7.09%, the largest one week net and percentage decline since the week ending March 17th. Meanwhile, the July Brent contract settled up \$2.80 at \$75.30. The product markets also ended the session higher, with the heating oil market settling up 7.6 cents at \$2.3147 and the RB market settling up 5.31 cents at \$2.3790.

Technical Analysis: The crude market is still expected to remain in its recent trading range as it continues to retrace its previous losses. The market is seen finding resistance at its high of \$71.81, \$73.51, \$75.84 and \$76.11. Further upside is seen at \$76.69 and \$76.92. Meanwhile, support is seen at \$70.00, \$69.05, its low of \$68.48 followed by \$67.48, \$67.16, \$66.36 and \$63.64.

Fundamental News: Baker Hughes Co said U.S. energy firms cut the most oil and natural gas rigs in a week since February. The oil and gas rig count fell by seven to 748 in the week ending May 5th. Oil rigs fell by three to 588 this week, in their biggest weekly decline since March, while gas rigs fell by four to 157, their biggest weekly decline since February.

The Abu Dhabi National Oil Company has informed at least three buyers in Asia that it will supply full contractual volumes of crude in July, steady from the previous month. However, ADNOC has informed the term buyers that it will load 5% less crude in May, the minimum operational tolerance, reflecting the additional cut announced last month by OPEC+.

IIR Energy said U.S. oil refiners are expected to shut in about 742,000 bpd of capacity in the week ending May 5th, increasing available refining capacity by 545,000 bpd. Offline capacity is expected to fall to 475,000 bpd in the week ending May 12th and to 308,000 bpd in the week ending May 19th.

U.S. employers increased their hiring in April while raising wages for workers, pointing to sustained labor market strength. The U.S. Labor Department said nonfarm payrolls increased by 253,000 jobs in April. Data for March was revised lower to show 165,000 jobs added instead of 236,000 as previously reported. The unemployment rate fell to 3.4% in April from 3.5% in March.

The International Air Transport Association reported Thursday air passenger traffic in March rose by 3.5% from the previous month, driven for the most part by Asia-Pacific demand which nearly tripled on the month. Year on year passenger traffic in March was up 52.4% and was some 88% of levels recorded back in March 2019. Global air freight cargo demand though was off 7.7% in March from a year earlier.

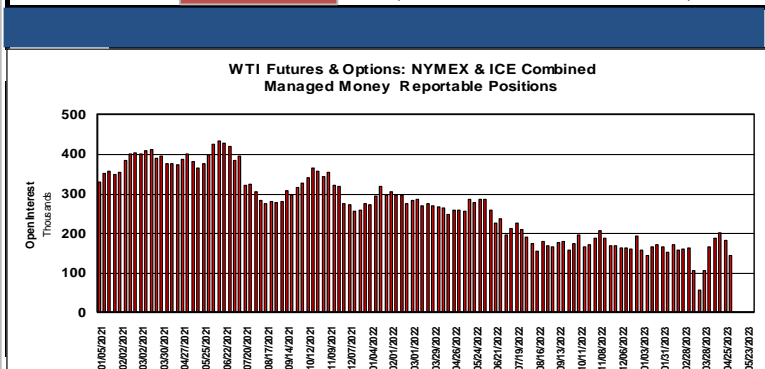
Early Market Call - as of 8:30 AM EDT

WTI - June \$73.06, up \$1.71
 RBOB - June \$2.4098, up 3.08 cents
 HO - June \$2.3630, up 4.81 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-23	2.3147	0.0760	-0.0624
Jul-23	2.3189	0.0761	-0.0630
Aug-23	2.3253	0.0752	-0.0661
Sep-23	2.3334	0.0742	-0.0687
Oct-23	2.3404	0.0731	-0.0701
Nov-23	2.3418	0.0714	-0.0705
Dec-23	2.3388	0.0694	-0.0708
Jan-24	2.3407	0.0680	-0.0718
Feb-24	2.3403	0.0675	-0.0710
Mar-24	2.3329	0.0670	-0.0687
Apr-24	2.3166	0.0665	-0.0661
May-24	2.3066	0.0661	-0.0661
Jun-24	2.2973	0.0659	-0.0661
Jul-24	2.2933	0.0654	-0.0666
Aug-24	2.2896	0.0647	-0.0668
Sep-24	2.2866	0.0642	-0.0667
Oct-24	2.2846	0.0633	-0.0651

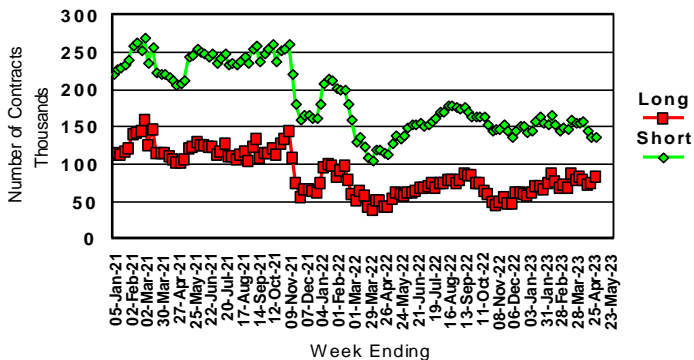
Sprague HeatCurve October 2023-April 2024		\$2.3371
	Close	Change
Crude - WTI	\$71.2700	\$2.7600
Crude - Brent	\$75.3000	\$2.8000
Natural Gas	\$2.1370	\$0.0360
Gasoline	\$2.3790	\$0.0531



Commitment of Traders Report for the Week Ending May 2, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

