

Market Commentary

Recap: On Friday, the oil market continued to trade within Wednesday's trading range and ended in positive territory for the fourth consecutive week. The market opened relatively unchanged and traded to a low of \$81.76 in overnight trading in follow through from Thursday's losses. However, the market bounced off its low and retraced its losses following the IEA's monthly report, in which it forecast that global demand will increase by 2 million bpd to a record high this year of 101.9 million bpd, driven mostly by a recovery in Chinese demand. The IEA also warned that the output cuts announced by OPEC+ producers could exacerbate an oil supply deficit and impact consumers. The oil market rallied to a high of \$83.12 by mid-morning and settled in a sideways trading range during the remainder of the session. The May WTI contract ended the session up 36 cents or 0.4% at \$82.52 and the June Brent contract settled up 22 cents at \$86.31. Meanwhile, the product markets ended the session in mixed territory with the heating oil market settling down 3.36 cents at \$2.6392 and the RB market settling up 42 points at \$2.8359.

Technical Analysis: The oil market is seen remaining in its recent trading range from \$79.00 to \$83.53 as its stochastic look ready to cross to the downside. The market is seen finding resistance at its highs of \$83.12, \$83.44 and \$83.53. More distant upside is seen at \$85.45, \$87.51, \$88.68, \$89.84 and \$90.10. Meanwhile, support is seen at its lows of \$81.76, \$81.28 and \$79.37. More distant support is seen at its gap from \$79.00 to \$75.72.

Fundamental News: The International Energy Agency said output cuts announced by OPEC+ producers risk exacerbating an oil supply deficit expected in the second half of the year and could hurt consumers and global economic recovery. The IEA said it expected global oil supply to fall by 400,000 bpd by the end of the year citing an expected production increase of 1 million bpd from outside of OPEC+ beginning in March, versus a 1.4 million bpd decline from the producers group. The IEA added that rising global oil stocks may have influenced the OPEC+ decision, noting OECD industry stocks in January reached their highest level since July 2021 at 2.83 billion barrels. The IEA said European Union and G7 restrictions on Russian oil exports led to a global shift in oil flows, with Asian refiners increasing their imports of discounted Russian crude, in part explaining the recent OPEC+ decision to curtail output further. It said that with the arrival of over 3 million bpd of Russian crude into the region, Asian refiners' demand for medium sour Middle Eastern crudes may have waned. Meanwhile, Russian oil exports in March reached their highest levels since April 2020 on increased oil product flows, despite a seaborne import ban from the European Union and a price cap sanctions policy spearheaded by the U.S. Russia's revenue in March increased by \$1 billion on the month to \$12.7 billion. However it was 43% lower than a year earlier partly due to capped prices on its seaborne oil exports.

Citi Research expects global and Chinese oil demand weakness to thwart OPEC projections for a tight 2023 oil market. It expects inventories to build by 200,000 bpd in 2023, with risk to both upside and downside but more to the downside.

JP Morgan maintained its long-standing price forecast. It sees Brent oil prices averaging \$89/barrel in the second quarter of the year and increasing to \$94/barrel in the fourth quarter.

According to Refinitiv tracking, diesel arrivals from the Middle East and Asia Pacific into Europe are set to reach 3.36 million tons in April, up from 3.1 million tons in March.

Early Market Call - as of 8:20 AM EDT

WTI - May \$81.93, down 59 cents

RBOB - May \$2.8012, down 3.47 cents

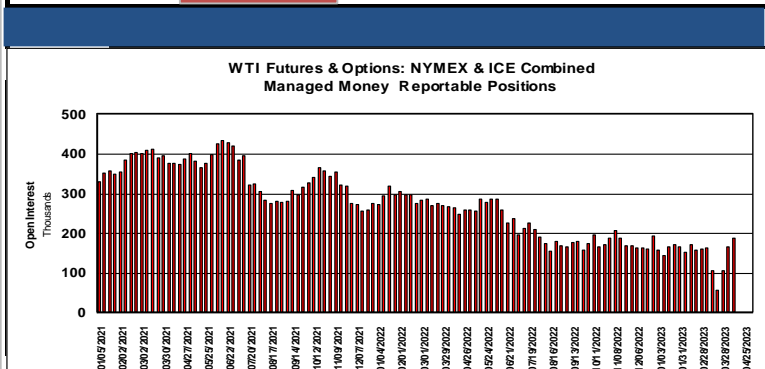
HO - May \$2.6220, down 1.72 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-23	2.6392	-0.0336	-0.0213
Jun-23	2.6156	-0.0207	0.0034
Jul-23	2.6071	-0.0179	0.0027
Aug-23	2.6073	-0.0157	0.0020
Sep-23	2.6084	-0.0145	0.0010
Oct-23	2.6074	-0.0148	0.0005
Nov-23	2.6025	-0.0152	0.0030
Dec-23	2.5955	-0.0156	0.0070
Jan-24	2.5898	-0.0156	0.0098
Feb-24	2.5790	-0.0142	0.0099
Mar-24	2.5608	-0.0125	0.0092
Apr-24	2.5337	-0.0113	0.0077
May-24	2.5169	-0.0105	0.0073
Jun-24	2.5027	-0.0099	0.0077
Jul-24	2.4954	-0.0095	0.0085
Aug-24	2.4886	-0.0095	0.0090
Sep-24	2.4813	-0.0095	0.0081

Sprague HeatCurve October 2023-April 2024

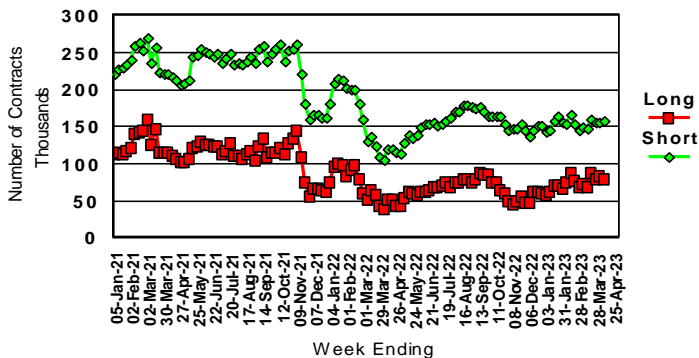
	Close	Change
Crude - WTI	\$82.4300	\$0.3900
Crude - Brent	\$86.3100	\$0.2200
Natural Gas	\$2.1140	\$0.1070
Gasoline	\$2.8359	\$0.0042



Commitment of Traders Report for the Week Ending April 11, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

