

## Market Commentary

**Recap:** Oil futures erase early weakness to end with a small gain Friday, though upside appeared to be limited by a sharp stock-market selloff. June WTI finished 0.9% higher for the session at \$113.23 a barrel, which amounts to a 2.4% weekly gain and is the fourth straight week that prices have finished higher. Crude's gains suggest the sell-off in US stock markets isn't being replicated at all in energy commodities, at least not yet. Though worried about a global downturn that could hurt oil demand, energy investors are more concerned on the bullish side regarding possible supply shortages. July Brent added 51 cents, or 0.45%, to settle at \$112.55 a barrel. Brent for July delivery tacked on \$0.51, or 0.46% to settle at \$112.55, up \$1.00 on the week. June heating oil fell 5.29 cents, or 1.40%, to \$3.7391 per gallon, down 18.21 cents or 4.64% on the week. RBOB for June delivery ended the week at \$3.8370 a gallon, up 0.53 cents, or 0.14%, but fell 12.08 cents, or 3.05% on the week.

**Technical Analysis:** After dipping at the onset of the week, WTI rebounded, only to find strong buying down around the \$105 level. We are still trending within the upward channel that has formed within the consolidation pattern that dates back to the beginning of March. The 10-day moving average has taken on a pivotal role, with WTI finishing above this average eight out of the last eleven weeks. With prices trending within the aforementioned channel, it is safe to say that prices have a good chance of trending higher. That being said, \$116.64 is significant resistance.

**Fundamental News:** U.S. energy firms this week added oil and natural gas rigs for a ninth consecutive week. Baker Hughes reported that the oil and gas rig count increased by 14 to 728 in the week ending May 20<sup>th</sup>, its highest since March 2020. U.S. oil rigs increased by 13 to 576 this week, their highest since March 2020, while gas rigs increased by 1 to 150, their highest since September 2019.

IIR Energy reported that U.S. oil refiners are expected to shut in about 881,000 bpd of capacity in the week ending May 20<sup>th</sup>, increasing available refining capacity by 190,000 bpd. It also reported that offline capacity is expected to fall to 502,000 bpd in the week ending May 27<sup>th</sup> and to 433,000 bpd in the week ending June 3<sup>rd</sup>.

Euroilstock reported that European refiners processed 9.728 million bpd of crude oil in April, up almost 7% from a month earlier and more than 9% higher than a year earlier. It reported that Europe's refinery output in April increased by 6.4% on the month and by 11.3% on the year to 10.293 million bpd. European gasoline output increased by 6.3% on the month and by 14% on the year to 2.425 million bpd, while middle distillates output in April increased by 5.1% on the month and by 14.2% on the year to 5.185 million bpd, fuel oil output increased by 9.2% on the month and by 4.4% on the year to 971,000 bpd and naphtha output increased by 2.7% on the month and by 13.2% on the year to 942,000 bpd.

The Emir of Qatar, Tamim bin Hamad al-Thani expressed optimism on Friday that an agreement between the U.S. and Iran can be achieved and voiced his readiness to help in reaching a deal.

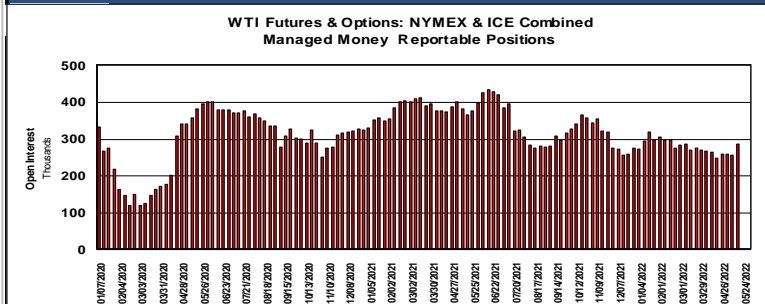
**Early Market Call - as of 8:30 AM EDT**

WTI - June \$111.40 UP \$1.12  
 RBOB - June \$3.6831 Down 0.0068  
 HO - June \$3.6391 Up 0.0172

## All NYMEX | Prior Settlements

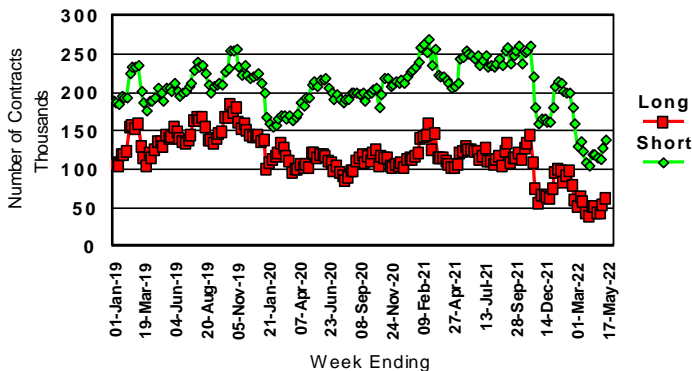
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-22	3.7391	-0.0529	-0.1821
Jul-22	3.6218	-0.0453	-0.1390
Aug-22	3.5414	-0.0401	-0.1169
Sep-22	3.4838	-0.0275	-0.1745
Oct-22	3.4251	-0.0155	-0.1016
Nov-22	3.3634	-0.0052	-0.0984
Dec-22	3.2969	-0.0002	-0.0995
Jan-23	3.2383	0.0008	-0.1004
Feb-23	3.1760	0.0004	-0.0991
Mar-23	3.1091	-0.0001	-0.0971
Apr-23	3.0371	0.0000	-0.0940
May-23	2.9817	0.0018	-0.0838
Jun-23	2.9338	0.0029	-0.0736
Jul-23	2.9037	0.0028	-0.0682
Aug-23	2.8798	0.0027	-0.0648
Sep-23	2.8615	0.0026	-0.0617
Oct-23	2.8451	0.0025	-0.0561

Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	<b>June Brent- WTI Spread</b> <b>\$2.27</b>	\$110.2800	\$0.3900
Crude - Brent		\$112.5500	\$0.5100
Natural Gas		\$8.0830	-\$0.2250
Gasoline		\$3.8370	\$0.0053



## Commitment of Traders Report for the Week Ending May 17, 2022

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



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

