

## Market Commentary

**Recap:** Oil prices spiked to their highest levels since 2008 on Monday amid market supply fears as the United States and European allies considered banning Russian oil imports and prospects for a swift return of Iranian crude to global markets receded. Brent topped the session at \$139.13 a barrel, while WTI traded at a session high of \$130.50, the highest level for the benchmarks since July 2008. Prices jumped on embargo concerns, but as more and more European countries said they will not impose an embargo on Russian oil imports, oil markets sold off. Global oil prices have spiked about 60% since the start of 2022, along with other commodities, raising concerns about world economic growth and stagflation. China, the world's No. 2 economy, is already targeting slower growth of 5.5% this year. WTI for April delivery rose 3.2% Monday to close at \$119.40 a barrel on the New York Mercantile Exchange, up nearly 30% since Feb. 23, the day before Russia's invasion of Ukraine. The U.S. benchmark briefly traded above \$130 a barrel for the first time since 2008 in overnight trade. May Brent surged 4.3%, finishing at \$123.21 a barrel, up by 31% from its pre-invasion level. April RBOB tacked on .0281 cents, to settle at \$3.5721 a gallon, while heating oil for April delivery added .1452, to end at \$3.9215 a gallon.

**Market Outlook:** Oil prices reacted to the possibility of a ban on Russian crude oil imports, but with several countries declining to do so, it looked like a bit of profit-taking was taking place. At this point, we are still content to buy dips in this market, with pullbacks providing value. We were looking for short-term pullbacks as buying opportunities, so the \$119 level is a good area to start, but the \$110 area in WTI would be a perfect buying level, if we could get down there.

**Fundamental News:** The U.S. Department of Energy has approved the twelfth exchange of 2,700,000 barrels of crude oil for release to ExxonMobil Corp from the nation's Strategic Petroleum Reserve. The move was part of the Biden administration's approval for such releases authorized in November 2021 as part of a larger effort to boost the U.S. fuel supply.

A congressional aide said the U.S. House of Representatives is set to vote as soon as Tuesday on legislation seeking to ban the import of Russian energy products and suspend normal trade relations with Russia.

Britain's Minister for Europe, James Cleverly, said Britain will consider banning oil imports from Russia, after U.S. Secretary of State, Antony Blinken, said the United States and Europe were exploring the idea. However, he also stressed the importance of maintaining steady oil supplies globally.

Two OPEC+ sources stated that the OPEC+ policies have nothing to do with the rally in crude prices, downplaying the likelihood of any increase to global supply from the alliance. The sources stated that the overall supply and demand in the global oil market remained balanced.

S&P Global Platts is reporting that according to several sources in OPEC said there is no emergency meeting being discussed by OPEC members over the potential US-EU ban on Russian oil. One source said the recent "high prices are not an outcome of any OPEC country's actions" and is a geopolitical problem of the West's own making.

Iran's top security official, Ali Shamkhani, said the outlook for nuclear talks underway in Vienna "remains unclear", accusing the United States of delaying them. The priority for Iran at the talks is to resolve 'red-line issues'," adding that "new initiatives" are required by all parties at the negotiations in order to quickly reach a strong agreement. Meanwhile, Iran's Foreign Ministry said the country believes a deal on its nuclear program can be quickly reached if the U.S. accepts points made by Tehran at talks in Vienna, adding that Russia's contribution to negotiations so far had been constructive.

**Early Market Call - as of 9:10 AM EDT**

WTI - Apr \$124.29, up \$4.90

RBOB - Apr \$3.7244, up 15.23 cents

HO - Apr \$4.3276, up 40.61 cents

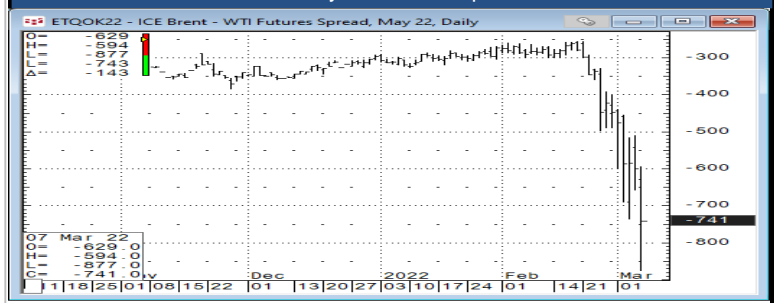
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	\$3.9215	\$0.1452	\$0.9902
May-22	\$3.7080	\$0.1344	\$0.8614
Jun-22	\$3.5079	\$0.1242	\$0.7302
Jul-22	\$3.3289	\$0.1152	\$0.5996
Aug-22	\$3.2072	\$0.0912	\$0.5099
Sep-22	\$3.1465	\$0.0714	\$0.4492
Oct-22	\$3.1030	\$0.0597	\$0.4347
Nov-22	\$3.0565	\$0.0545	\$0.4055
Dec-22	\$3.0151	\$0.0485	\$0.3825
Jan-23	\$2.9758	\$0.0429	\$0.3618
Feb-23	\$2.9400	\$0.0374	\$0.3467
Mar-23	\$2.9021	\$0.0306	\$0.3318
Apr-23	\$2.8680	\$0.0285	\$0.3244
May-23	\$2.8396	\$0.0263	\$0.3179
Jun-23	\$2.8168	\$0.0242	\$0.3145
Jul-23	\$2.8006	\$0.0217	\$0.3078
Aug-23	\$2.7851	\$0.0175	\$0.3002

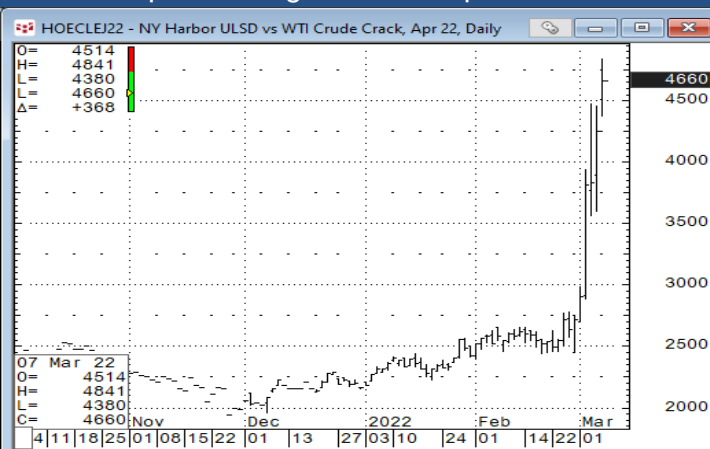
## Sprague HeatCurve October 2022-April 2023 \$2.9735

	Close	Change
Crude - WTI	\$115.8000	\$3.6900
Crude - Brent	\$123.2100	\$5.1000
Natural Gas	\$4.8330	-\$0.1830
Gasoline	\$3.5721	\$0.0281

## ICE May Brent-WTI Spread



## April Heating Oil Crack Spread



## April RBOB Crack Spread

