

## Market Commentary

**Recap:** The oil market on Monday breached the trading range seen in the last few days and ended the session lower after its stochastics crossed to the downside on Friday. The market traded mostly sideways in overnight trading, holding its support. However, the market breached Wednesday's low of \$81.28 and extended its losses to over \$1.90 as it sold off to \$80.61 in early afternoon trading. The market sold off amid some strengthening of the U.S. dollar and as traders bet the Federal Reserve will raise interest rates in May by another quarter of a percentage point. The oil market settled in a sideways trading range before further selling pressure pushed the market to a low of \$80.47 ahead of the close. The May WTI contract retraced some of its losses and settled down \$1.69 at 80.83, while the June Brent contract settled down \$1.55 at \$84.76. The product markets ended the session in negative territory, with the heating oil market settling down 2.45 cents at \$2.6147 and the RB market settling down 6.19 cents at \$2.774.

**Technical Analysis:** The market on Tuesday will look towards the release of China's first quarter GDP data for further direction. The data is expected to be positive for the oil market, with the IEA forecasting that China will account for most of 2023 demand growth. The oil market is seen finding support at its low of \$80.47, \$79.37 and its gap from \$79.00 to \$75.72. Meanwhile, resistance is seen at \$81.32, \$82.00, \$82.40 and its high of \$82.71. Further upside is seen at \$83.12, \$83.44 and \$83.53 followed by \$85.45, \$87.51, \$88.68, \$89.84 and \$90.10.

**Fundamental News:** An official said the Group of Seven coalition will keep a \$60/barrel price cap on seaborne Russian oil, despite rising global crude prices and calls by some countries for a lower price cap to restrict Moscow's revenues. The G7 and Australia made the decision to maintain the cap over the past few weeks after a review of the \$60 price set in December with an aim to reduce Moscow's ability to finance its war in Ukraine. The official said Russian crude has been selling at a discount of around \$30 to Brent. Coalition officials concluded the price cap was working to both limit Russian revenue while maintaining energy market stability, but said they would continue coordinating to ensure effective monitoring and enforcement. The coalition will also intensify efforts to combat evasion of the price cap and sanctions imposed on Russia, including the use of deceptive practices to access insurance and other coalition services for oil traded above the cap.

The EIA reported that U.S. output from top shale-producing regions is due to increase in May to the highest on record. Oil output is set to increase to 9.33 million bpd, with output in the Permian Basin increasing to 5.69 million bpd, the highest level on record.

Exxon Mobil Corp. units in Nigeria declared force majeure on oil loadings from multiple terminals in the country following industrial action. Mobil Producing Nigeria Unlimited, Esso Exploration and Production Nigeria Ltd and Esso Exploration and Production Ltd. declared the measure from their respective terminals. ExxonMobil said it will continue to take all reasonable actions necessary to resolve the impasse as soon as possible.

IIR Energy said U.S. oil refiners are expected to shut in about 936,000 bpd of capacity in the week ending April 21<sup>st</sup>, increasing available refining capacity by 168,000 bpd. Offline capacity is expected to fall to 678,000 bpd in the week ending April 28<sup>th</sup>.

Colonial Pipeline Co is allocating space for Cycle 24 shipments on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

**Early Market Call - as of 8:20 AM EDT**

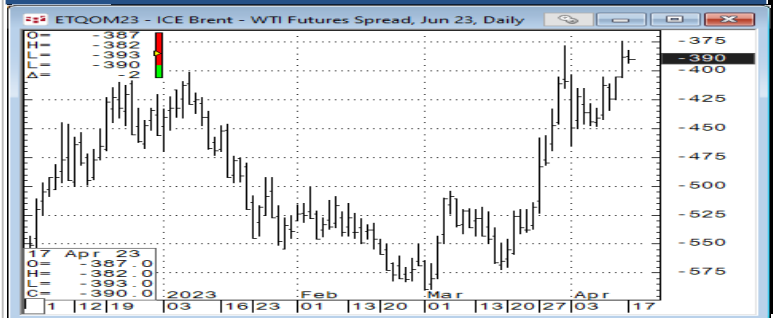
WTI - May \$80.59, down 24 cents  
 RBOB - May \$2.7463, down 2.77 cents  
 HO - May \$2.6058, down 89 points

## All NYMEX | Prior Settlements

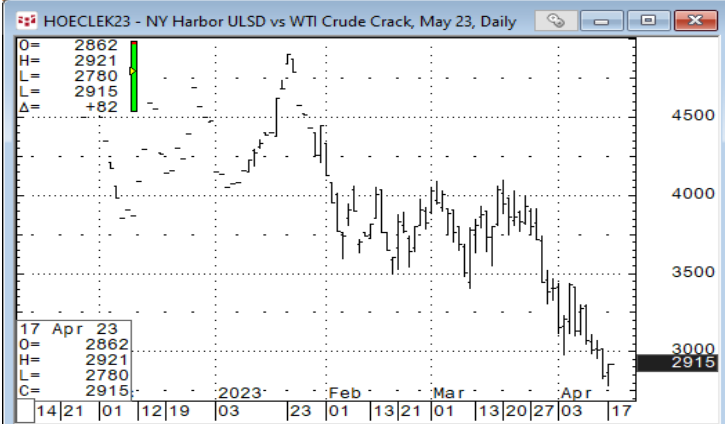
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-23	2.6147	-0.0245	-0.0667
Jun-23	2.5882	-0.0274	-0.0405
Jul-23	2.5795	-0.0276	-0.0344
Aug-23	2.5794	-0.0279	-0.0318
Sep-23	2.5807	-0.0277	-0.0309
Oct-23	2.5807	-0.0267	-0.0301
Nov-23	2.5769	-0.0256	-0.0276
Dec-23	2.5705	-0.0250	-0.0252
Jan-24	2.5655	-0.0243	-0.0242
Feb-24	2.5552	-0.0238	-0.0251
Mar-24	2.5374	-0.0234	-0.0256
Apr-24	2.5113	-0.0224	-0.0254
May-24	2.4956	-0.0213	-0.0239
Jun-24	2.4815	-0.0212	-0.0234
Jul-24	2.4741	-0.0213	-0.0251
Aug-24	2.4672	-0.0214	-0.0251
Sep-24	2.4600	-0.0213	-0.0261

Sprague HeatCurve October 2023-April 2024			\$2.5577
		Close	Change
Crude - WTI	June Brent-	\$80.8300	-\$1.6000
Crude - Brent	WTI Spread	\$84.7600	-\$1.5500
Natural Gas	\$3.93	\$2.2750	\$0.1610
Gasoline		\$2.7740	-\$0.0619

### ICE June Brent-WTI Spread



## May Heating Oil Crack Spread



## May RBOB Crack Spread

