

## Market Commentary

**Recap:** The oil market on Monday retraced some more of its previous losses after the market settled in positive territory on Friday, although it had posted a weekly decline of more than 5%. The market erased some of Friday's gains in overnight trading and posted a double bottom at \$76.72. However, the crude market bounced off that level and rallied higher throughout the session, retracing almost 38% of its move from a high of \$83.38 to its low of \$76.72. The oil market rallied to a high of \$79.18 ahead of the close. The market was supported by the lack of signs of an imminent restart of Iraq's northern oil exports after a month of standstill amid further delays in negotiations between the Iraqi government, the Kurdistan regional government and the Turkish government. The June WTI contract settled up 89 cents at \$78.76 and the Brent contract settled up \$1.07 at \$82.73. The product markets ended the session in positive territory, with the heating oil market settling up 4.24 cents at \$2.5310 and the RB market settling up 3.02 cents at \$2.6318.

**Technical Analysis:** On Tuesday, the crude market will likely remain range bound as traders position themselves ahead of the release of the weekly petroleum stock reports. The market is seen finding resistance at its high of \$79.18, \$79.26, its 38% retracement level, \$80.05, its 50% retracement level and \$80.84, its 62% retracement level. Further upside is seen at \$81.24 and \$81.52. Meanwhile, support is seen at its double bottom of \$76.72 followed by \$75.72, where it would backfill its gap from earlier this month. More distant support is seen at \$73.83, \$72.61, \$72.19 and \$71.53.

**Fundamental News:** IIR Energy reported that U.S. oil refiners are expected to shut in about 667,000 bpd of capacity in the week ending April 28<sup>th</sup>, increasing available refining capacity by 442,000 bpd. Offline capacity is expected to fall to 470,000 bpd in the week ending May 5<sup>th</sup>.

Three Corpus Christi Texas refineries reported production disruptions on Sunday as severe thunderstorms impacted the area, with heavy rain and lightning. Citgo Petroleum Corp said its 167,500 bpd Corpus Christi refinery shutdown due to a power outage and Flint Hills Resources said operations were disrupted by a power interruption at its 338,500 bpd refinery in the area. Valero Energy Corp also reported use of the safety flares at its 290,000 bpd Corpus Christi refinery, indicating a production disruption.

According to sources, Iraq's northern oil exports show few concrete indications of an imminent restart after a month of standstill, as aspects of an agreement between Baghdad and the Kurdistan Regional Government have yet to be resolved. Turkey halted Iraq's 450,000 bpd of northern exports on March 25 after an arbitration ruling by the International Chamber of Commerce, which ordered Turkey to pay Baghdad damages of \$1.5 billion for unauthorized exports by the KRG between 2014 and 2018. The pipeline had been exporting around 75,000 bpd of federal crude. According to Reuters estimates based on exports of 375,000 bpd, lost revenue from the halt for the KRG stands at over \$850 million. Two sources stated that the KRG and SOMO are eyeing an early May export restart, with one adding this is far from guaranteed. According to a separate industry source, a restart is at least 2-3 weeks away. Limited storage capacity in the semi-autonomous Kurdistan region means most of its 450,000 bpd of production has been shut in. Fields that are still running include Khurmala, which has reduced output from around 135,000 bpd to 100,000 bpd. This is feeding regional refineries and power production. According to a spokesperson Genel Energy, the 4,500 bpd Taq Taq field also "continues to produce into storage".

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

WTI - June \$77.90, down 86 cents  
 RBOB - May \$2.6220, down 98 points  
 HO - May \$2.5038, down 2.72 cents

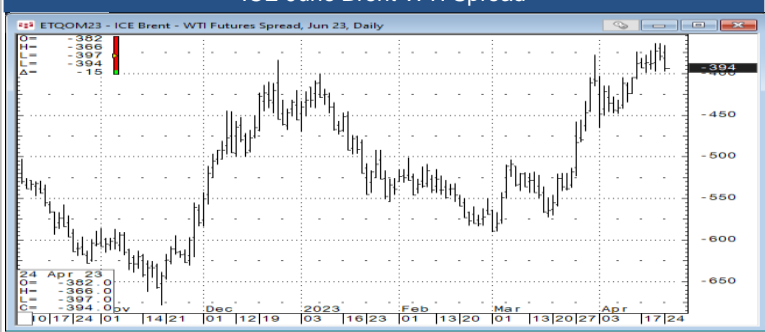
## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-23	2.5310	0.0424	-0.0837
Jun-23	2.5226	0.0434	-0.0656
Jul-23	2.5197	0.0425	-0.0598
Aug-23	2.5224	0.0410	-0.0570
Sep-23	2.5260	0.0398	-0.0547
Oct-23	2.5276	0.0386	-0.0531
Nov-23	2.5252	0.0377	-0.0517
Dec-23	2.5209	0.0371	-0.0496
Jan-24	2.5192	0.0364	-0.0463
Feb-24	2.5126	0.0350	-0.0426
Mar-24	2.4980	0.0333	-0.0394
Apr-24	2.4749	0.0323	-0.0364
May-24	2.4617	0.0315	-0.0339
Jun-24	2.4500	0.0305	-0.0315
Jul-24	2.4433	0.0298	-0.0308
Aug-24	2.4375	0.0290	-0.0297
Sep-24	2.4327	0.0288	-0.0273

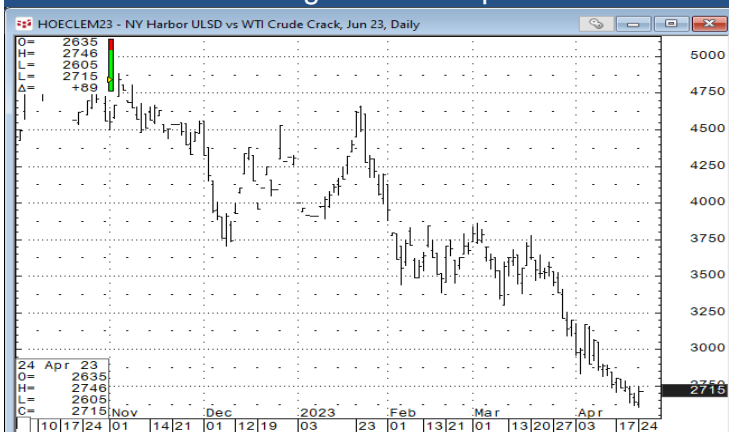
### Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$78.7600	\$0.8900
Crude - Brent	\$82.7300	\$1.0700
Natural Gas	\$2.2730	\$0.0400
Gasoline	\$2.6318	\$0.0302

### ICE June Brent-WTI Spread



## June Heating Oil Crack Spread



## June RBOB Crack Spread

