

## Market Commentary

**Recap:** Oil prices slipped on Tuesday as China tightened COVID restrictions and as tanker-tracker data showed Russian crude oil flows increased. At this point, traders remain doubtful that the EI will move forward with an embargo on Russian crude oil. Market attention is also on the weekly U.S. inventory reports, in which the EIA report is expected to show a 200,000 barrel decline in weekly crude supplies. WTI for June delivery lost \$2.76 per barrel, or 2.62% to \$102.41, while July Brent lost \$2.61 per barrel, or 2.43% to \$104.97. Petroleum products also fell with heating oil for June delivery losing 12.22 cents per gallon, or 2.91% to \$4.0827 and June RBOB falling 0.89 cent per gallon, or 0.25% to \$3.5012 today.

**Market Analysis:** WTI lost ground on Tuesday, as it was unable to sustain itself above the \$105 level. Still, oil remains strong after Moscow's invasion of Ukraine exacerbated supply concerns that were already fueling a rally. WTI remains in a holding pattern, set primarily between the range of \$110 and \$100. However, market sentiment remains bullish, especially as diesel-fuel prices in the futures market hit record highs last week. We could see a push down toward the \$100 level, should we get a cross to the downside of the slow stochastics.

**Fundamental News:** BP's Chief Executive Officer, Bernard Looney, said BP does not expect any let off in oil prices in the near term as the volume of Russian oil impacted by Western sanctions was expected to double. He said "There is one million barrels a day of Russian crude off the system today... We think that will probably double this month, when existing sanctions come into effect."

The head of the foreign policy unit at the European Union's executive European Commission, Josep Borrell, said the EU is working on new sanctions against Russia for waging war on Ukraine that will target Russia's oil industry, more Russian banks and those responsible for disinformation. Officials said European Commission President, Ursula von der Leyen, is expected to spell out the proposed sanctions on Wednesday, and that they would include a ban on imports of Russian oil by the end of this year.

The Kremlin said Russia's President Vladimir Putin has signed a decree on retaliatory economic sanctions in response to the "unfriendly actions of certain foreign states and international organizations". According to the decree, Russia will forbid the export of products and raw materials to people and entities that it has sanctioned. The decree also prohibits transactions with foreign individuals and companies hit by Russia's retaliatory sanctions and permits Russian counterparties not to fulfill obligations towards them.

Iran's Oil Minister, Javad Owji, said he met Venezuelan President Nicolas Maduro during his visit to the Latin American country and that the two countries aimed to develop their cooperation.

Colonial Pipeline Co is allocating space for Cycle 27 shipments on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina.

**Early Market Call - as of 8:10 AM EDT**

WTI - June \$106.88, up \$4.47  
 RBOB - June \$3.6229, up 12.07 cents  
 HO - June \$4.2029, up 11.83 cents

## All NYMEX | Prior Settlements

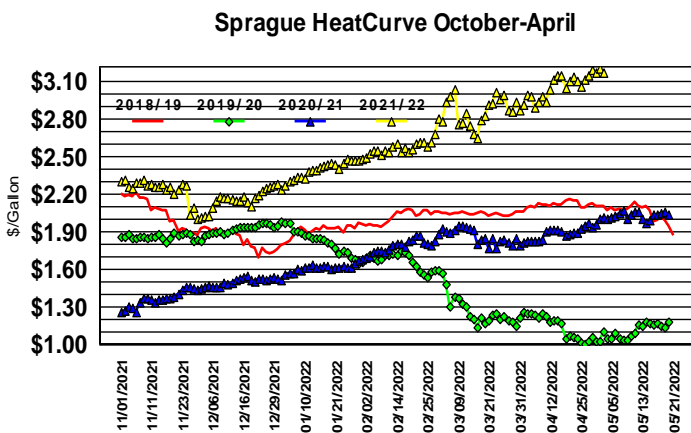
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-22	\$4.0827	-\$0.1222	\$0.2654
Jul-22	\$3.7413	-\$0.0901	\$0.1849
Aug-22	\$3.5429	-\$0.0670	\$0.1405
Sep-22	\$3.4426	-\$0.0544	\$0.0402
Oct-22	\$3.3625	-\$0.0465	\$0.1004
Nov-22	\$3.2863	-\$0.0427	\$0.0866
Dec-22	\$3.2139	-\$0.0403	\$0.0727
Jan-23	\$3.1608	-\$0.0382	\$0.0577
Feb-23	\$3.1088	-\$0.0366	\$0.0419
Mar-23	\$3.0563	-\$0.0340	\$0.0286
Apr-23	\$3.0017	-\$0.0305	\$0.0170
May-23	\$2.9568	-\$0.0261	\$0.0097
Jun-23	\$2.9203	-\$0.0214	\$0.0056
Jul-23	\$2.8955	-\$0.0210	\$0.0054
Aug-23	\$2.8749	-\$0.0209	\$0.0039
Sep-23	\$2.8577	-\$0.0208	\$0.0010
Sep-23	\$2.8416	-\$0.0206	-\$0.0007

Sprague HeatCurve October 2022-April 2023			\$3.1591
		Close	Change
Crude - WTI	June Brent- WTI Spread \$4.07	\$100.9000	-\$2.5200
Crude - Brent		\$104.9700	-\$2.6100
Natural Gas		\$7.9540	\$0.4790
Gasoline		\$3.5012	-\$0.0089

### API Report for the Week Ending April 29, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 3.5 million barrels	Down 800,000 barrels
Gasoline Stocks	Down 4.5 million barrels	Down 600,000 barrels
Distillate Stocks	Down 4.5 million barrels	Down 1.3 million barrels
Refinery Runs		Up 0.5% at 90.8%

## Sprague HeatCurve October-April



## WTI Continuation



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