

Market Commentary

Recap: The oil market continued to trade higher for a third consecutive session on Friday as it shrugged off the losses in the global stock markets that pushed the market lower on Thursday and instead focused on the impending European Union embargo on Russian oil. The market remained supported by the European Union's proposal to phase out supplies of Russian crude oil in six months and refined products by the end of 2022 and ban all shipping and insurance services for transporting Russian oil. The market, which posted an inside trading day, traded to a low of \$107.24 in overnight trading and extended its gains by \$2.92 as it traded to a high of \$111.18 by mid-day. The June WTI contract retraced some of its gains ahead of the close and settled up \$1.51 or 1.39% at \$109.77, which was up 4.85% on the week. The July Brent contract settled up \$1.49 or 1.34% at \$112.39. Meanwhile, the product markets ended the session mixed once again, with the heating oil market settling down 8.7 cents at \$3.9543 and the RB market settling up 10.03 cents at \$3.759.

Technical Analysis: The crude oil market is seen continuing to trend higher within an upward trending channel as the looming EU embargo could cause a supply squeeze. The market is seen finding resistance at its highs of \$111.18, \$111.37 and \$113.99, basis a resistance line. More distant resistance is seen at \$118.13, \$119.95 and \$121.17. Meanwhile, support is seen at its lows of \$107.24, \$106.45 and \$105.28, basis a support line. More distant support is seen at \$102.95, \$102.10 and \$100.28.

Fundamental News: European Commission President, Ursula von der Leyen, said she was confident the bloc would approve a new package of sanctions against Russia.

European Union sources stated that the European Commission has proposed changes to its planned embargo on Russian oil in a bid to win over reluctant states. The revised proposal, which EU envoys were discussing at a meeting on Friday morning, includes giving Hungary, Slovakia and the Czech Republic more time to adapt to the embargo, and help with upgrading their own oil infrastructure. It also includes a three-month transition before banning EU shipping services from transporting Russian oil, instead of the initial one month. Under the changes, Hungary and Slovakia would be able to buy Russian oil from pipelines until the end of 2024, and the Czech Republic could continue until June 2024, if it does not get oil via a pipeline from southern Europe earlier. On Friday, top EU diplomat, Josep Borrell, said he would call an extraordinary meeting of EU foreign affairs ministers next week if no deal was reached by the weekend.

According to Vortexa, European imports of Russian diesel still stand at 740,000 bpd, equal to the average observed from January 2021 to February 2022. Europe, however, has attracted an additional 350,000 bpd of non-Russian diesel since mid-March, with 160,000 bpd coming from Asia, 120,000 bpd coming from the Middle East and 70,000 bpd coming from North America.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending May 6th, increasing available refining capacity by 268,000 bpd.

U.S. job growth increased more than expected in April, underscoring the economy's strong fundamentals despite a contraction in GDP in the first quarter. The U.S. Labor Department reported that nonfarm payrolls increased by 428,000 jobs in April. Data for March was revised slightly lower to show 428,000 jobs added instead of 431,000 as previously reported. The unemployment rate remained steady in April at 3.6%.

Early Market Call - as of 8:10 AM EDT

WTI - June \$107.3 Down \$2.43
 RBOB - June \$3.7521 Down \$0.066
 HO - June \$3.9543 Down \$0.748

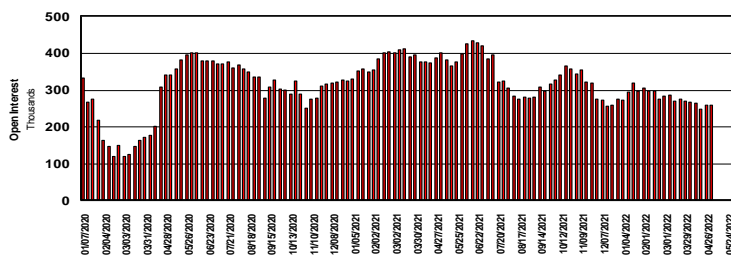
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-22	3.9543	-0.0870	-0.0629
Jul-22	3.7888	-0.0316	0.0913
Aug-22	3.6697	-0.0058	0.1608
Sep-22	3.5937	0.0070	0.0848
Oct-22	3.5226	0.0132	0.1785
Nov-22	3.4503	0.0192	0.1746
Dec-22	3.3764	0.0221	0.1667
Jan-23	3.3157	0.0242	0.1556
Feb-23	3.2522	0.0252	0.1412
Mar-23	3.1859	0.0255	0.1272
Apr-23	3.1181	0.0246	0.1132
May-23	3.0622	0.0240	0.1023
Jun-23	3.0206	0.0240	0.0989
Jul-23	2.9907	0.0237	0.0940
Aug-23	2.9671	0.0231	0.0905
Sep-23	2.9467	0.0232	0.0869
Oct-23	2.9272	0.0218	0.0832

Sprague HeatCurve October 2022-April 2023

	Close	Change
Crude - WTI	\$108.3300	\$1.5900
Crude - Brent	\$112.3900	\$1.4900
Natural Gas	\$8.0430	-\$0.7400
Gasoline	\$3.7590	\$0.1003

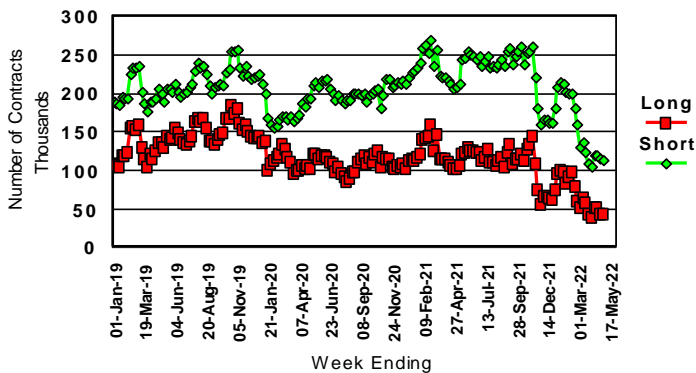
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending May 3, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

