

## Market Commentary

**Recap:** Oil futures slipped on Friday as China's COVID-19 lockdowns heightened demand concerns, although supply disruption fears as Western sanctions curb crude and products exports from Russia underpinned prices. Trading in the oil markets has been volatile as Beijing has shown no sign of easing lockdown measures despite the impact on its economy and global supply chains. On supplies, OPEC+ is likely to stick to its existing deal and agree another small output increase for June when it meets on May 5, six sources from the producer group told Reuters on Thursday. However, Russia's oil production may fall by as much as 17% in 2022, an economy ministry document seen by Reuters showed on Wednesday, as Western sanctions imposed on Moscow over its invasion of Ukraine hurt investments and exports. Russia calls it a "special military operation" to disarm Ukraine. Though oil prices have largely held above \$100 a barrel, China is battling another outbreak of Covid-19, bringing prices down from the highest levels since 2008 and raising concerns the outbreak could dent economic growth and hurt global air travel. WTI for June delivery fell 67 cents, or 0.64%, to settle at \$104.69 per barrel, for a weekly gain of \$4.41, or 4.40%. June Brent settled at \$109.34 a barrel up \$1.75, or 1.63% and 2.8% on the week. May RBOB ended down 3.13 cents, or 0.89%, to end the session at \$3.4721 a gallon, up 28.25 cents, or 8.86% on the week. Heating oil for May delivery lost 35.37 cents, or 7.89%, but on the week gained \$1.09 per gallon, or 29.54%.

**Technical Analysis:** With Friday marking the second straight session that WTI held above the downward trend line on the symmetrical triangle, we should see resumption to the upside at the start of the week, with \$110 within sight. Above this level, additional resistance is set at \$116.65. Support is set at \$102.90 and below that at \$100.94.

**Fundamental News:** U.S. crude exports to Europe increased in March and April as buyers across the Atlantic imported the country's light sweet grades to offset the expected loss of Russian oil. Matt Smith, lead oil analyst for the Americas at data provider Kpler said U.S. crude exports bound for Europe are close to 1.5 million bpd so far in April, the highest in two years and one of the strongest months on record.

The EIA reported that U.S. crude oil production in February fell by 50,000 bpd to 11.312 million bpd from a revised level of 11.362 million bpd in January. Production in Texas fell by 27,000 bpd to 4.83 million bpd, the lowest since July 2021, while output in New Mexico increased to almost 1.41 million bpd, the highest since November 2021. U.S. crude oil exports fell to 3.309 million bpd from 3.347 million bpd in January, while total refined oil product exports increased to 2.868 million bpd in February from 2.576 million bpd in January. The EIA also reported that U.S. total oil demand in February increased by 17.2% or 2.992 million bpd on the year to 20.436 million bpd.

Drillers in North Dakota have restored just over half of the oil and natural gas output that was shut following the severe winter weather that impacted the Bakken shale region a week ago. By this weekend, 80% of the state's crude oil and gas supply is set to flow again as power and access to sites improve. The remaining volume may take at least a week to return because of damage to electrical infrastructure and challenges accessing more remote locations.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.30 million bpd of capacity in the week ending April 29<sup>th</sup>, cutting available refining capacity by 176,000 bpd.

The U.S. EPA issued an emergency waiver for a higher ethanol gasoline blend on Friday, allowing summertime sales of the fuel in an attempt to help lower gasoline prices. The EPA's emergency fuel waiver will go into effect on May 1<sup>st</sup> and will last for 20 days.

**Early Market Call - as of 8:25 AM EDT**

**WTI - June \$99.40, down \$3.53**

**RBOB - June \$3.3596, down 8.27 cents**

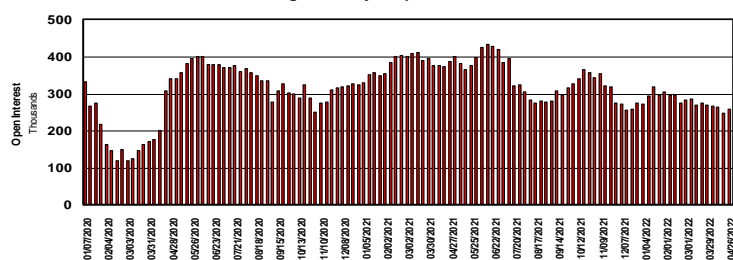
**HO - June \$3.9680, 4.86 cents**

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-22	4.7817	-0.3537	0.8431
Jun-22	4.0172	0.0088	0.3814
Jul-22	3.6975	-0.0164	0.2316
Aug-22	3.5089	-0.0292	0.1489
Sep-22	3.4173	-0.0306	0.0573
Oct-22	3.3441	-0.0292	0.1003
Nov-22	3.2757	-0.0253	0.0892
Dec-22	3.2097	-0.0222	0.0775
Jan-23	3.1601	-0.0213	0.0652
Feb-23	3.1110	-0.0230	0.0484
Mar-23	3.0587	-0.0246	0.0342
Apr-23	3.0049	-0.0273	0.0245
May-23	2.9599	-0.0279	0.0169
Jun-23	2.9217	-0.0285	0.0111
Jul-23	2.8967	-0.0269	0.0117
Aug-23	2.8766	-0.0264	0.0130
Sep-23	2.8598	-0.0262	0.0124

Sprague HeatCurve October 2022-April 2023			\$3.1568
		Close	Change
Crude - WTI	June Brent- WTI Spread \$4.65	\$104.6900	-\$0.6700
Crude - Brent		\$109.3400	\$1.7500
Natural Gas		\$7.2440	\$0.3560
Gasoline		\$3.4721	-\$0.0313

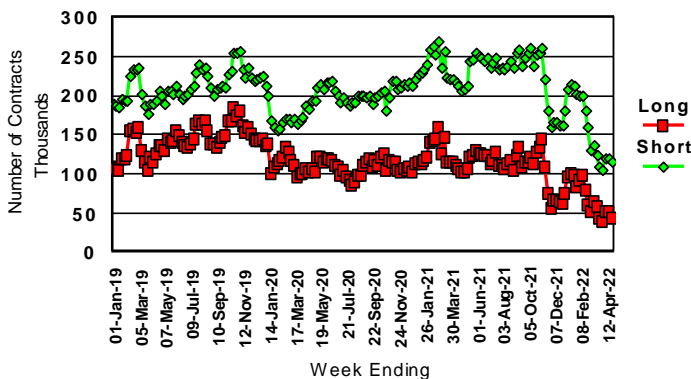
WTI Futures & Options: NYMEX & ICE Combined  
Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending April 26, 2022

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

