

Market Commentary

Recap: The oil market posted an inside trading day amid the uncertainty of an OPEC+ supply cut at its meeting this week and the ongoing debt ceiling negotiations. The market posted a low of \$71.49 in overnight trading but bounced off that level and traded to a high of \$73.05 by mid-morning as the market weighed conflicting messages on supply from Russia and Saudi Arabia. On Thursday, Russian Deputy Prime Minister, Alexander Novak, played down the prospect of further OPEC+ production cuts while a warning to short sellers from Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, was interpreted as a signal OPEC+ could consider further output cuts. The market was also supported by news that U.S. officials appeared close to striking a debt ceiling deal. The July WTI contract settled in a sideways trading range for most of the session and settled up 84 cents at \$72.67. The July Brent contract settled up 69 cents at \$76.95. Meanwhile, the product markets ended the session over 2 cents higher, with the heating oil market settling up 2.31 cents at \$2.3693 and the RB market settling up 2.99 cents at \$2.7034.

Technical Analysis: The crude market on Tuesday, following the long Memorial Day holiday, will seek direction from any updates regarding the debt ceiling negotiations and any OPEC comments ahead of next ministerial meeting on June 4th. Any news of further progress on raising the debt ceiling will support oil prices. Technically, the crude market is seen finding support at its low of \$71.49, \$70.98, \$70.59, \$70.05 followed by \$69.39-\$69.32, \$68.46 and \$68.04. Meanwhile, resistance is seen at its highs of \$73.05, \$74.37 and \$74.73. More distant resistance is seen at \$75.93, \$76.11, \$76.69, \$76.92 and \$77.93.

Fundamental News: Three sources stated that Russia is leaning towards leaving oil production volumes unchanged ahead of an OPEC+ policy meeting on June 4th because Moscow is content with current prices and output. On Wednesday, Russian President, Vladimir Putin, said that energy prices were approaching "economically justified" levels, while Russia's Deputy Prime Minister Alexander Novak, said on Thursday that he did not expect new steps from OPEC+. He said that Russia and its OPEC+ partners would make a decision on what is best for the oil market when they meet in Vienna. A second source said that it was not in Russia's interests to reduce oil output right now. Russia has already pledged to reduce its output by 500,000 bpd to 9.5 million bpd from March until the end of the year.

IIR Energy said that U.S. oil refiners are expected to shut in about 502,000 bpd of capacity in the week ending May 26th, increasing available refining capacity by 135,000 bpd. Offline capacity is expected to fall to 243,000 bpd in the week ending June 2nd and further to 55,000 bpd in the week ending June 9th.

U.S. House Speaker, Kevin McCarthy, said that progress had been made in negotiations on Thursday evening aimed at securing a deal on raising the U.S. government's \$31.4 trillion debt ceiling.

U.S. consumer spending increased more than expected in April, supporting the economy's growth prospects for the second quarter, and inflation increased, which could see the Federal Reserve keeping interest rates higher for some time. The U.S. Commerce Department said consumer spending increased by 0.8% in April. The Personal Consumption Expenditures price index increased 0.4% in April after increasing 0.1% in March. In the 12 months through April, the PCE price index increased 4.4% after increasing 4.2% in March. Excluding the food and energy components, the PCE price index increased by 0.4% after increasing by 0.3% in March. The so-called core PCE price index increased 4.7% on a year-on-year basis in April after gaining 4.6% in March.

The Commerce Department reported that orders for non-defense capital goods excluding aircraft increased by 1.4% in April. Core capital goods orders in April increased 2.7% on the year. Orders for durable goods increased 1.1% in April after increasing 3.3% in March.

Early Market Call - as of 8:20 AM EDT

WTI - July \$71.70, down 97 cents

RBOB - June \$2.6714, down 3.2 cents

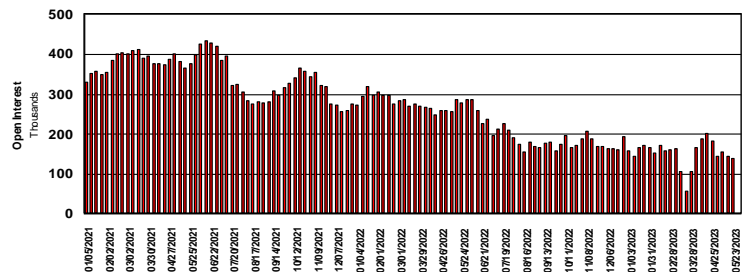
HO - June \$2.3493, down 2 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-23	2.3693	0.0231	0.0071
Jul-23	2.3554	0.0188	0.0030
Aug-23	2.3561	0.0178	0.0044
Sep-23	2.3642	0.0175	0.0072
Oct-23	2.3699	0.0175	0.0086
Nov-23	2.3710	0.0178	0.0099
Dec-23	2.3676	0.0181	0.0111
Jan-24	2.3683	0.0185	0.0133
Feb-24	2.3642	0.0188	0.0141
Mar-24	2.3525	0.0187	0.0132
Apr-24	2.3334	0.0184	0.0123
May-24	2.3226	0.0180	0.0121
Jun-24	2.3143	0.0176	0.0119
Jul-24	2.3106	0.0176	0.0120
Aug-24	2.3078	0.0175	0.0119
Sep-24	2.3054	0.0167	0.0115
Oct-24	2.3047	0.0166	0.0115

Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	July Brent-WTI Spread \$4.28	\$72.6700	\$0.8400
Crude - Brent		\$76.9500	\$0.6900
Natural Gas		\$2.1810	-\$0.1260
Gasoline		\$2.7034	\$0.0299

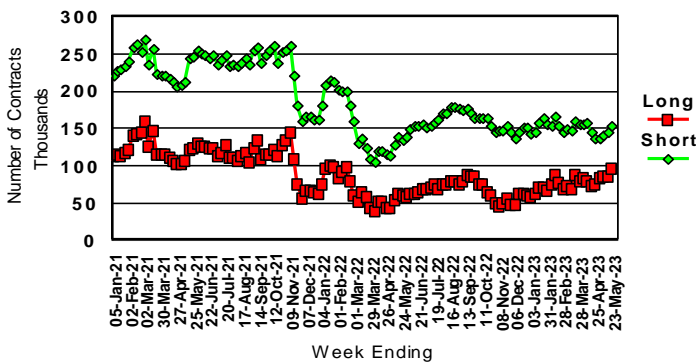
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending May 23, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

