

Market Commentary

Recap: The oil market continued on its downward trend and sold off to a two week low despite the API and EIA reports showing larger than expected draws in crude stocks. The market was pressured as the U.S. dollar strengthened on fears that interest rate hikes could cut energy demand. The market's concern over the demand outlook pushed the market below its recent lows allowing it to begin backfilling its gap from \$79.00 to \$75.72. The market partially backfilled its gap as it fell to \$78.95 in overnight trading before further selling ahead of the release of the EIA report pushed the market to a low of \$78.46. The oil market later bounced off that level and retraced some of its losses, trading back towards the \$80.00 level. The May WTI contract settled down \$1.70 at \$79.16 and the June Brent contract settled down \$1.65 at \$83.12. The product markets ended the session sharply lower, with the RB market leading the losses amid the unexpected build in gasoline stocks of almost 1.3 million barrels on the week. The RB market settled down 10.54 cents at \$2.6455 and the heating oil market settled down 4.22 cents at \$2.5577.

Technical Analysis: The oil market is seen retracing some of its losses before it continues on its downward path after it partially backfilled its gap from early April. Also, its slow stochastics, which recently crossed to the downside, are still trending lower. The market is seen finding support at its low of \$78.46, \$76.21 and \$75.72, where it would completely backfill its gap. More distant support is seen at \$73.94, \$73.77, \$72.61, \$72.19 and \$71.68. Meanwhile, resistance is seen at \$79.85, \$80.00 followed by \$81.18 and \$81.48. Further upside is seen at \$82.71, \$83.12, \$83.44 and \$83.53.

Fundamental News: The EIA reported that U.S. crude oil stocks in the SPR fell last week to the lowest level since October 1983, with stocks falling to 367.96 million barrels. Separately, the EIA warned that its weekly refinery utilization calculations are likely to be inflated through June because they do not account for a major expansion at Exxon Mobil's Beaumont, Texas refinery, which added up to 250,000 bpd of processing capacity. The refinery's capacity will only be recorded in the EIA's March monthly report, due out at the end of May. As a result, U.S. Gulf Coast refinery utilization figures "may increase to abnormally high levels" for several weeks. The expansion also will be excluded from a mid-year U.S. report that measures refining capacity on January 1st.

The U.S. Treasury Department's Office of Foreign Assets control extended a license that protects Venezuela-owned refiner Citgo Petroleum from creditors trying to seize its assets to recoup pending debts until July 20th. The three-month extension comes as a U.S. district court judge is seeking federal approval to schedule an auction that could lead to a breakup of the seventh-largest U.S. refiner by volume.

The Association of American Railroads reported that the number of weekly railcar loadings on major U.S. railroads in the week ending April 19th increased by 5.8% on the year to 234,066. It reported that the number of railcar loadings of petroleum and petroleum products increased by 18.7% on the year to 10,043.

IIR Energy reported that U.S. oil refiners are expected to shut in 901,000 bpd of capacity in the week ending April 21st, increasing available refining capacity by 199,000 bpd. Offline capacity is expected to fall to 640,000 bpd in the week ending April 28th.

Marathon Petroleum Corp reported an unplanned flare event at its 363,000 bpd Carson, California refinery.

Colonial Pipeline Co is allocating space for Cycle 23 shipments on Line 1, its main gasoline line runs from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

Early Market Call - as of 8:25 AM EDT

WTI - May \$77.96, down \$1.20

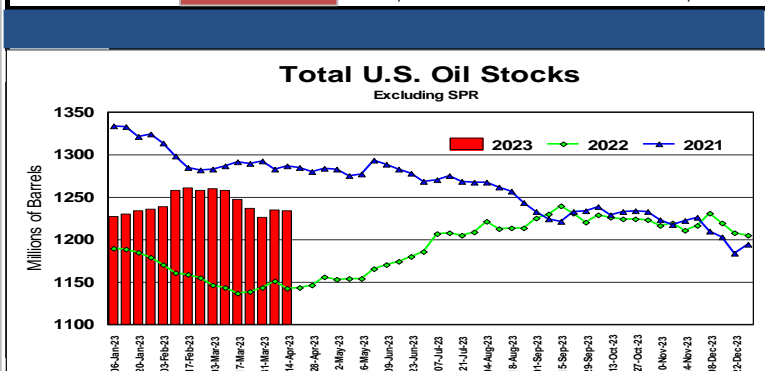
RBOB - May \$2.6129, down 3.26 cents

HO - May \$2.5242, down 3.35 cents

All NYMEX | Prior Settlements

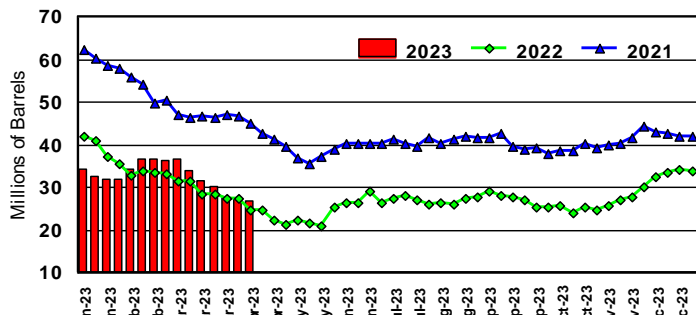
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-23	2.5577	-0.0422	-0.1454
Jun-23	2.5401	-0.0414	-0.1199
Jul-23	2.5350	-0.0409	-0.1099
Aug-23	2.5353	-0.0413	-0.1067
Sep-23	2.5368	-0.0415	-0.1051
Oct-23	2.5369	-0.0408	-0.1038
Nov-23	2.5334	-0.0394	-0.1017
Dec-23	2.5282	-0.0378	-0.0986
Jan-24	2.5255	-0.0361	-0.0938
Feb-24	2.5176	-0.0344	-0.0890
Mar-24	2.5017	-0.0332	-0.0850
Apr-24	2.4773	-0.0319	-0.0812
May-24	2.4633	-0.0311	-0.0776
Jun-24	2.4511	-0.0301	-0.0752
Jul-24	2.4434	-0.0296	-0.0744
Aug-24	2.4366	-0.0288	-0.0733
Sep-24	2.4304	-0.0279	-0.0723

Sprague HeatCurve October 2023-April 2024		\$2.5183
	Close	Change
Crude - WTI	\$79.2400	-\$1.6600
Crude - Brent	\$83.1200	-\$1.6500
Natural Gas	\$2.2220	-\$0.1440
Gasoline	\$2.6455	-\$0.1054



Weekly EIA Petroleum Status Report for the Week Ending April 14, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 597,000 barrels
 Cushing, OK Crude Stocks Down 409,000 barrels
Gasoline Stocks Down 330,000 barrels
Distillate Stocks Down 606,000 barrels
Refinery % Operated 89.3%, down 0.3%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Apr 14, 2023	Week Ending Apr 7, 2023	Week Ending Apr 15, 2022
New England	3.9	3.9	4.3
Central Atlantic	12.3	12.4	10.9
Total PADD #1	26.9	27.5	24.7
Distillate Imports (thousands b/d)	106	217	86