

Market Commentary

Recap: On Monday, the oil market continued on its upward trend following the long Easter weekend on expectations of increased oil demand following the release of some supportive economic news from the U.S. and China. On Friday, the Commerce Department reported that Personal Consumption Expenditure price index moderated in February, keeping a June interest rate cut from the Fed on the table. Meanwhile, economic news from China showed that manufacturing activity expanded for the first time in six months in March, supporting oil demand. The oil market posted a low of \$82.60 early in the morning before it rallied over \$1.30 as it posted to a high of \$84.49 in afternoon trading. The market later erased some of its gains ahead of the close as it traded back below the \$84.00 level. The May WTI contract settled up 54 cents at \$83.71 and the June Brent contract settled up 42 cents at \$87.42. The product markets ended the session mixed, with the heating oil market settling up 44 points at \$2.6271 and the RB market settling down 1.06 cents at \$2.71.

Technical Analysis: The crude market will likely retrace some of its sharp gains before it continues on its upward trend ahead of the release of the weekly petroleum stocks reports on late Tuesday afternoon and Wednesday morning. The reports are expected to show draws across the board, with draws of about 2 million barrels in crude stocks. The market will also look to the OPEC+ meeting on Wednesday for further direction although the producer group is expected to leave its output policy unchanged until the full ministerial meeting in June. The oil market is seen finding resistance at its high of \$84.49, \$84.73, \$84.87 and the \$85.00 level. Meanwhile, support is seen at \$83.60, \$83.00, \$82.60, \$82.20 followed by \$81.52, \$80.55, \$80.42, \$80.30, \$80.01 and \$79.15.

Fundamental News: Patrick De Haan, petroleum analyst at GasBuddy.com said gasoline prices for U.S. motorists could increase by as much as 15 cents/gallon, with global fuel supplies tighter after Ukraine's recent attacks on Russian refineries. He said Russian refinery outages could increase U.S. pump prices by an additional 5 to 15 cents/gallon from GasBuddy's previous April forecast of between \$3.36 and 3.67/gallon. Any additional supply shocks, like unplanned outages at major U.S. refineries, could push domestic gasoline prices above \$4/gallon for the first time since 2022. According to AAA, gasoline prices averaged \$3.536/gallon at pumps across the U.S. on Monday, up 6% from a month ago and 1% above the same time last year.

IIR Energy said U.S. oil refiners are expected to shut in about 1.1 million bpd of capacity in the week ending April 5th, increasing available refining capacity by 29,000 bpd. Offline capacity is expected to fall to 847,000 bpd in the week ending April 12th.

According to a Reuters survey, OPEC oil output fell in March, reflecting lower exports from Iraq and Nigeria against a backdrop of ongoing voluntary supply cuts by some members agreed with the wider OPEC+ alliance. OPEC produced 26.42 million bpd in March, down 50,000 bpd on the month. The biggest output reductions in March came from Iraq and Nigeria. OPEC fell about 190,000 bpd short of its targeted cuts in March, largely because of Iraq, Nigeria and Gabon producing more than they had aimed for. Gulf producers Saudi Arabia, Kuwait and the United Arab Emirates each kept output close to their voluntary targets, as did Algeria.

The U.S. Climate Prediction Center on Monday reported that for the week ending March 30th, the nation saw 161 heating degree days on an oil home heating customer weighted basis. It was 1 HDD more than normal and 6 HDDs more than the same week a year ago. This marked two consecutive weeks in which heating demand was either at normal or higher than normal levels, an occurrence that only happened one other time this current heating season, back at the start of December. For the current week the CPC is forecasting only 133 HDDs which would be 7.6% warmer than normal.

Early Market Call - as of 9:05 AM EDT

WTI - May \$85.12, up \$1.41

RBOb - May \$2.7274, up 1.74 cents

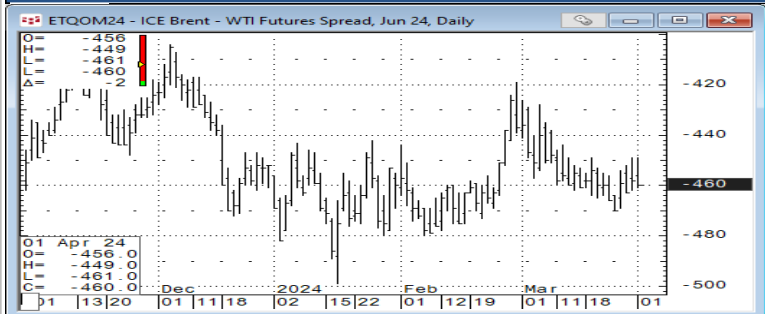
HO - May \$2.6721, up 4.50 cents

All NYMEX | Prior Settlements

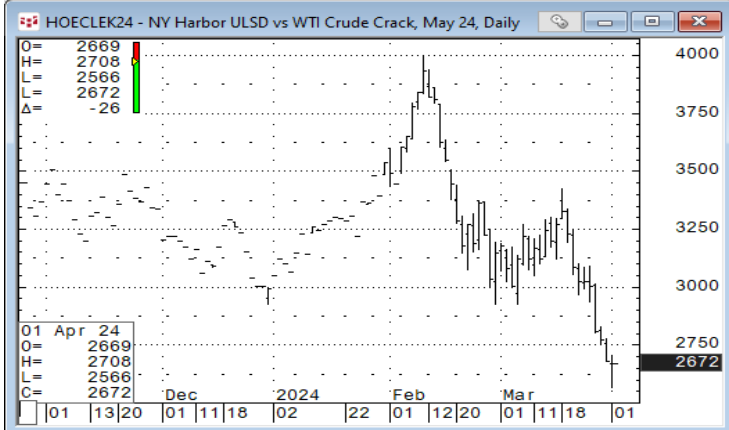
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6271	0.0115	-0.0515
May-24	2.6258	0.0031	-0.0384
Jun-24	2.6254	0.0057	-0.0213
Jul-24	2.6253	0.0068	-0.0122
Aug-24	2.6269	0.0090	-0.0058
Sep-24	2.6276	0.0087	-0.0044
Oct-24	2.6222	0.0033	-0.0072
Nov-24	2.6092	-0.0045	-0.0115
Dec-24	2.5988	-0.0021	-0.0058
Jan-25	2.5826	-0.0074	-0.0091
Feb-25	2.5609	-0.0127	-0.0137
Mar-25	2.5346	-0.0174	-0.0186
Apr-25	2.5183	-0.0074	-0.0083
May-25	2.5050	-0.0047	-0.0029
Jun-25	2.4958	-0.0011	0.0033
Jul-25	2.4881	0.0002	0.0066
Aug-25	2.4831	0.0026	0.0106

Sprague HeatCurve October 2024-April 2025			\$2.5742
		Close	Change
Crude - WTI	June Brent-WTI Spread \$4.60	\$82.8200	\$0.4000
Crude - Brent		\$87.4200	\$0.4200
Natural Gas		\$1.8370	\$0.0740
Gasoline		\$2.7100	-\$0.0106

ICE June Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

