

Market Commentary

Recap: Oil futures were trading lower in the Asian session as OPEC+ agreed to increase supply. However, losses were limited by expectations that any rise in production may not be significant, as demand appears to be making its seasonal rise. Adding to the strength behind the session's higher move is China's gradual reopening after Covid-19 lockdowns. WTI settled higher for the sixth straight week, settling at \$118.87 a barrel, up \$3.80, or 3.30% and \$2.00, or 1.71% on the day. Brent Aug. delivery gained \$4.16 per barrel, or 3.60% to \$119.72 this week, or \$2.11 or 1.79% for the session. ULSD for July delivery gained 37.50 cents per gallon or 9.60% to \$4.2803 for the week and ended up 7.19 cents or 1.71% for the day. RBOB Gasoline for July delivery gained 34.03 cents per gallon, or 8.70% to \$4.2522 this week and closed up 6.13 cents or 1.46% for the session

Technical Analysis: Friday's bounce in oil futures was quite strong and suggests that there are willing buyers left in this market. With China reopening, lost demand will soon reenter the market. This coupled with the EU's announcement of a partial oil embargo of Russia cargoes are surefire catalysts for the price of oil. With the July WTI contract finishing above the sideways trading pattern for two straight sessions and also settling outside the upward channel within this pattern, we expect to see continued strength. Because of this, we believe that it is only a matter of time before we see a test up at the March highs. Support is seen at \$118.79, \$116.64 and \$115.21, the 10-day moving average. Resistance is seen at \$126.84 and \$130.50.

Fundamental News: U.S. President Joe Biden welcomed the OPEC announcement on increased production, but said he was not sure it was enough.

Baker Hughes reported that the oil and gas rig count were flat at 727 in the week ending June 3rd. U.S. oil rigs were steady at 574 this week, while gas rigs held at their highest since September 2019 at 151.

IIR Energy said U.S. oil refiners are expected to shut in 640,000 bpd of capacity in the week ending June 3rd, increasing available refining capacity by 409,000 bpd. Offline capacity is expected to decline to 433,000 bpd in the week ending June 10th and June 17th.

The U.S. Environmental Protection Agency issued biofuel blending mandates for 2022 and the prior two years, with this year's number below one proposed in December, while it denied oil refiners waivers to be exempt from the requirements. The EPA set biofuel blending mandates for 2022 at 20.63 billion gallons and retroactive volume mandates for 2021 at 18.84 billion gallons and for 2020 at 17.13 billion gallons. Even though the EPA denied the oil refiners' exemption petitions, the agency said it would allow extra time for small refiners to meet their 2020 blending obligations. In December, the EPA proposed to set volumes for 2022 at 20.77 billion gallons, for 2021 at 18.52 billion gallons and for 2020 at 17.13 billion gallons.

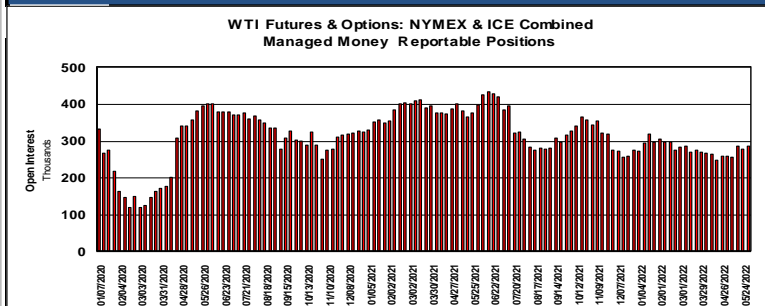
Norway's labor unions said at least 647 Norwegian oil workers plan to strike from June 12th if state-brokered wage mediation fails, putting some crude output at risk of shutdown although gas output may not be affected.

Early Market Call - as of 8:10 AM EDT
WTI - July \$118.92, up 6 cents
RBOB - July \$4.2110, down 4.06 cents
HO - July \$4.2788, down 22 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-22	4.2803	0.0719	0.3750
Aug-22	4.1549	0.0532	0.3303
Sep-22	4.0627	0.0540	0.2381
Oct-22	3.9728	0.0550	0.2933
Nov-22	3.8855	0.0574	0.2901
Dec-22	3.7972	0.0586	0.2904
Jan-23	3.7067	0.0558	0.2777
Feb-23	3.6062	0.0520	0.2573
Mar-23	3.4957	0.0475	0.2320
Apr-23	3.3837	0.0438	0.2068
May-23	3.2889	0.0418	0.1748
Jun-23	3.2009	0.0393	0.1397
Jul-23	3.1383	0.0390	0.1116
Aug-23	3.0833	0.0373	0.0881
Sep-23	3.0418	0.0342	0.0708
Oct-23	3.0006	0.0295	0.0489
Nov-23	2.9706	0.0251	0.0403

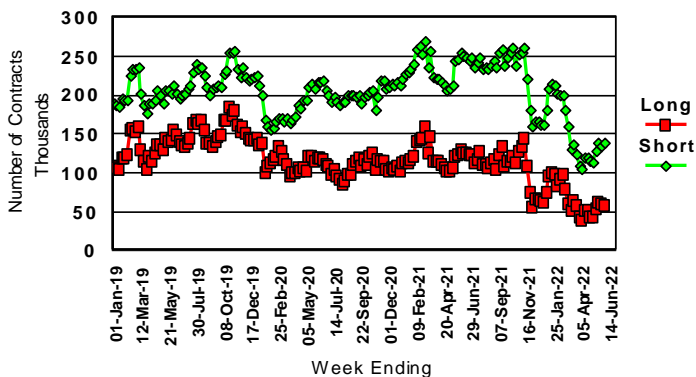
Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	July Brent-WTI Spread \$3.49	\$116.2300	\$1.9300
Crude - Brent		\$119.7200	\$2.1100
Natural Gas		\$8.5230	\$0.0380
Gasoline		\$4.2522	\$0.0613



Commitment of Traders Report for the Week Ending May 27, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

