

## Market Commentary

**Recap:** The oil market continued on its downward trend on Friday, trading back below the \$70.00 level amid economic concerns and signs of increased supplies despite the prospects of the U.S. soon refilling its SPR. The market remained pressured overnight and breached its previous low and traded to \$70.14 in overnight trading following reports that a pipeline linking northern Iraq and Turkey would resume flows on Saturday after it has been shut for over a month due to a legal dispute. Meanwhile, economic concerns have hung over the oil complex this week, including the lingering banking concerns, worries about the U.S. debt ceiling and questions over how strong a recovery China is seeing. The crude market rebounded to a high of \$71.78 by mid-morning only to give up those gains and retrace more than 38% of its move from a low of \$63.64 to a high of \$73.89 as it posted a low of \$69.93 ahead of the close. The June WTI contract settled down 83 cents or 1.2% at \$70.04. The oil market settled down 1.8% on the week, down a fourth consecutive week. The July Brent contract settled down 81 cents at \$74.17. Meanwhile, the product markets settled in negative territory, with the heating oil market settling down 4.4 cents at \$2.3055 and the RB market settling down 2.75 cents at \$2.4302.

**Technical Analysis:** The oil market is seen remaining pressured amid the economic concerns. Technically, the market also remains on its downward path as stochastics look ready to cross to the downside. The market is seen finding support at its low of \$69.93, \$68.77, \$68.48 and \$67.56. Meanwhile, resistance is seen at its high of \$71.78, \$73.50, \$73.89. Further upside is seen at \$75.84, \$76.11, \$76.69, \$76.92 and \$77.93.

**Fundamental News:** Iraq's Oil Minister, Hayan Abdel Ghani, said he expects Iraq to restart northern oil exports of 500,000 bpd from the autonomous Kurdistan region to Turkey on Saturday after a deal was finalized between the Kurdistan regional government and the federal authorities. Iraq's request to resume flows on Saturday came after traders buying crude from the Kurdistan region signed new contracts with Iraq's SOMO. He also said that Iraq did not get a reply from the Turkish BOTAS company on the request to resume oil flow. Meanwhile, according to a Turkish official, Turkey probably will not accept a request from Baghdad for oil exports through the port of Ceyhan to resume on Saturday.

Iraq's Oil Minister told Reuters Friday that he does not expect OPEC+ to make any further cuts in production at its next meeting in June. He also noted that Iraq cannot cut oil production any further.

IIR Energy reported that U.S. oil refiners are expected to shut in 633,000 bpd of capacity in the week ending May 12<sup>th</sup>, increasing available refining capacity by 161,000 bpd. Offline capacity is expected to fall to 336,000 bpd in the week ending May 19<sup>th</sup>, falling further to 246,000 bpd in the week ending May 26<sup>th</sup>.

Baker Hughes reported that the weekly number of active U.S. rigs drilling for oil fell by two in the week ending May 12<sup>th</sup> to 586, the lowest total since mid-June of 2022. The total number of active U.S. rigs, including those drilling for natural gas, saw a larger decline of 17 to stand at 731.

Oil pipelines from the top U.S. shale field to Houston that have run half empty are filling again as rising output has absorbed most of the space on lines to the main south Texas export hub in Corpus Christi. U.S. crude exports increased to a record of about 4.5 million bpd in March, spurred by recovering Chinese demand and competitive pricing for U.S. oil.

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

WTI - June \$70.39 up 35 cents  
 RBOB - June \$2.3817 up 6 points  
 HO - June \$2.3169 up 114 points

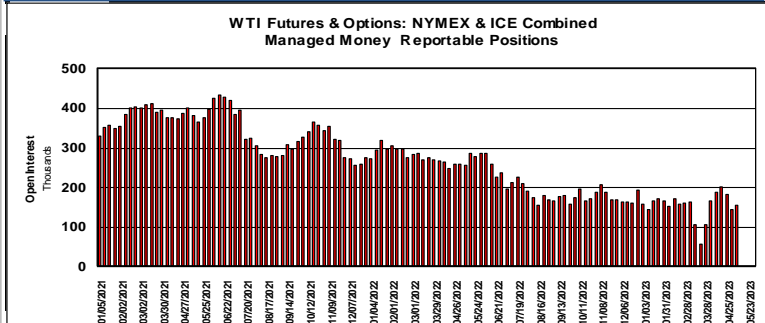
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-23	2.3055	-0.0440	-0.0092
Jul-23	2.2976	-0.0454	-0.0213
Aug-23	2.3005	-0.0454	-0.0248
Sep-23	2.3078	-0.0446	-0.0256
Oct-23	2.3144	-0.0438	-0.0260
Nov-23	2.3163	-0.0429	-0.0255
Dec-23	2.3136	-0.0424	-0.0252
Jan-24	2.3150	-0.0416	-0.0257
Feb-24	2.3127	-0.0406	-0.0276
Mar-24	2.3042	-0.0391	-0.0287
Apr-24	2.2882	-0.0377	-0.0284
May-24	2.2796	-0.0362	-0.0270
Jun-24	2.2743	-0.0339	-0.0230
Jul-24	2.2727	-0.0323	-0.0206
Aug-24	2.2711	-0.0314	-0.0185
Sep-24	2.2697	-0.0309	-0.0169
Oct-24	2.2681	-0.0304	-0.0165

Sprague HeatCurve October 2023-April 2024		\$2.3104
	Close	Change
Crude - WTI	\$70.0200	-\$0.8600
Crude - Brent	\$74.1700	-\$0.8100
Natural Gas	\$2.2660	\$0.0760
Gasoline	\$2.4302	-\$0.0275

**WTI - June \$70.39 up 35 cents**

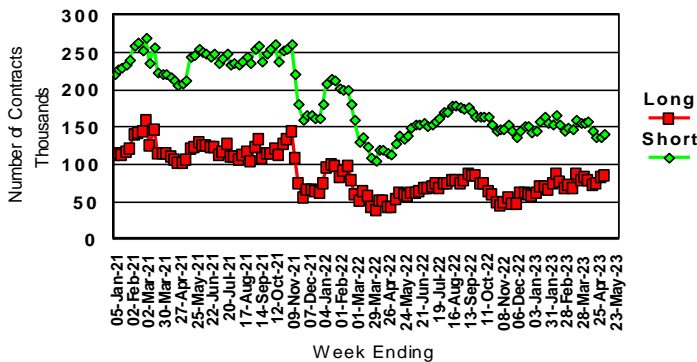
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## Commitment of Traders Report for the Week Ending May 9, 2023

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

