

Market Commentary

Recap: The oil market ended the session higher but still posted a weekly loss following its sharp losses earlier in the week as interest rate uncertainty weighed on the market. The market opened down 24 cents at \$77.13 and continued to backfill its gap as it traded to a low of \$76.72 in overnight trading. However, the market bounced off its low on strong economic data in the euro zone and Britain. The oil market rallied to a high of \$78.39 early in the session. The market later erased some of its gains and settled in a sideways trading range during the remainder of the session. The June WTI contract on its first session as the spot contract settled up 50 cents at \$77.87 and the June Brent contract settled up 56 cents at \$81.66. However, both crude contracts ended the week over 5% lower, with the WTI down 5.5% on the week and the Brent market down 5.4% on the week. Meanwhile, the product markets ended the session, mixed with the heating oil market settling down 63 points at \$2.4886 and the RB market settling up 1.52 cents at \$2.6016.

Technical Analysis: The oil market on Monday is seen continuing its downward trend as stochastics are still trending lower. The market is seen finding support at its low of \$76.72, \$76.20 and \$75.72, where it would backfill its gap. More distant support is seen at \$73.83, \$72.61, \$72.19 and \$71.53. Meanwhile, resistance is seen at its high of \$78.39, \$79.07, \$81.24, \$81.52 and \$82.62.

Fundamental News: Reuters reported that U.S. inventories of distillate fuel oils such as diesel and heating oil have been depleting since the start of March, reversing some of the accumulation over the previous five months, mostly because of an acceleration in exports. According to the EIA, distillate stocks stood at 112 million barrels on April 14th, down from 122 million on March 3rd. Inventories were down 18 million barrels below the prior ten-year seasonal average, widening from a deficit of 12 million barrels six weeks earlier. The recent decline in inventories has partially reversed the previous accumulation, which had seen the deficit narrow from a deficit of 31 million barrels on October 7th. Consumption of distillate fuel oil remains subdued as a result of the widespread downturn in manufacturing and freight activity since the third quarter of 2022. However, net exports have increased significantly, to an average of more than 900,000 bpd in the most recent five weeks from less than 700,000 bpd in late January and early February, depleting stocks. Despite the recent tightening of inventories, nearby futures prices and calendar spreads have remained under pressure. According to Reuters, traders no longer anticipate a shortage of distillates as a result of Russia's invasion of Ukraine and the U.S. and EU sanctions imposed in response. Instead the downturn in the global industrial cycle, rising interest rates, and a relaxed approach to sanctions enforcement have ensured distillates remain plentiful. The broader picture is still that U.S. distillate consumption is falling in line with the slowdown in manufacturing and freight activity. Reuters said if the cyclical slowdown persists, inventories should gradually climb back towards the long-term average throughout the remainder of 2023 and into 2024.

Baker Hughes Co reported that U.S. energy firms this week added oil and natural gas rigs for the first time in four weeks. The oil and gas rig count increased by five to 753 in the week ending April 21st. The number of oil rigs increased by three to 591 this week, while the number of gas rigs increased by two to 159.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.1 million bpd of capacity in the week ending April 21st, increasing available refining capacity by 148,000 bpd. Offline capacity is expected to fall to 667,000 bpd in the week ending April 28th.

Colonial Pipeline Co is allocating space for Cycle 25 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Early Market Call - as of 8:25 AM EDT

WTI - June \$77.58, down 29 cents

RBOB - May \$2.5837, down 1.79 cents

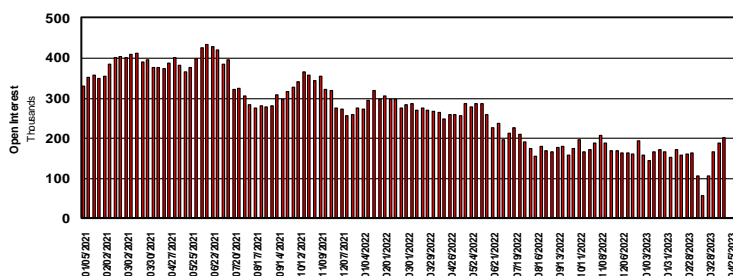
HO - May \$2.4958, up 72 points

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-23	2.4886	-0.0063	-0.1506
Jun-23	2.4792	-0.0016	-0.1364
Jul-23	2.4772	-0.0007	-0.1299
Aug-23	2.4814	0.0005	-0.1259
Sep-23	2.4862	0.0015	-0.1222
Oct-23	2.4890	0.0025	-0.1184
Nov-23	2.4875	0.0033	-0.1150
Dec-23	2.4838	0.0041	-0.1117
Jan-24	2.4828	0.0049	-0.1070
Feb-24	2.4776	0.0055	-0.1014
Mar-24	2.4647	0.0059	-0.0961
Apr-24	2.4426	0.0061	-0.0911
May-24	2.4302	0.0060	-0.0867
Jun-24	2.4195	0.0061	-0.0832
Jul-24	2.4135	0.0066	-0.0819
Aug-24	2.4085	0.0075	-0.0801
Sep-24	2.4039	0.0081	-0.0774

Sprague HeatCurve October 2023-April 2024			\$2.4766
		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.79	\$77.8700	\$0.5000
Crude - Brent		\$81.6600	\$0.5600
Natural Gas		\$2.2330	-\$0.0160
Gasoline		\$2.6016	\$0.0152

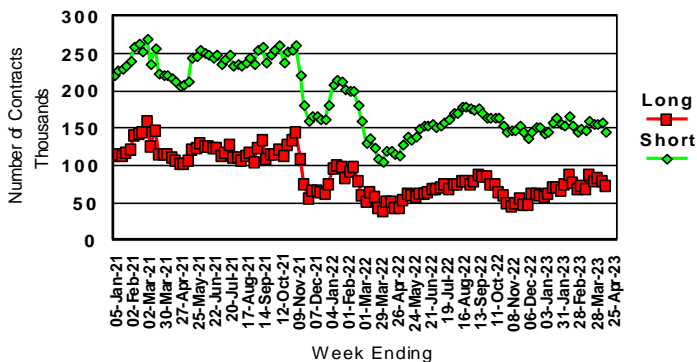
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending April 18, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

