

Market Commentary

Recap: Oil futures extended losses seen on Tuesday after Russia called peace talks with Ukraine constructive and China's new lockdowns to curb the spread of the coronavirus hit demand. Ukrainian and Russian negotiators met in Turkey for the first face-to-face talks in nearly three weeks. The top Russian negotiator said the talks were "constructive". Ukraine proposed adopting neutral status in exchange for security guarantees at the talks, meaning it would not join military alliances or host military bases, Ukrainian negotiators said. Prices also came under pressure after new lockdowns in Shanghai to curb rising coronavirus cases hit fuel demand in China, the world's biggest importer. Shanghai accounts for about 4% of China's oil consumption, ANZ Research analysts said. May WTI fell \$1.72 or 1.62% to \$104.24 a barrel, while May Brent lost \$2.25, or 2%, to settle at \$110.23 a barrel. Petroleum products also slipped, with April RBOB losing 1.55 cents, or 0.40%, to settle at \$3.2033 a gallon. Heating oil for April delivery dropped 6.73 cents, or 1.78%, to \$3.7161 per gallon.

Market Analysis: WTI traded on both side of unchanged, as it rallied in overnight trading to test and retreat from the 10-day moving average, only to find support down around the 50-day moving average falling short of \$98.27, the 50% retracement provided by the March high of \$130.50 and the December low of \$62.43. We would pay attention to the 50-day moving average, as breaks below this level will attract attention from sellers. Below this level, additional support is seen at \$93.53. To the upside, resistance rests at the 10-day moving average and above that at the downward trend line drawn off of the March high.

Fundamental News: Saudi Arabia's and the United Arab Emirates' Energy Ministers said their countries have done their part to balance crude markets. They said the producers' group should not engage in politics as pressure mounted on them to take action against Russia over its invasion of Ukraine. Both Prince Abdulaziz and UAE Energy Minister, Suhail al-Mazrouei, said the focus was on balancing crude oil markets and satisfying consumers.

Ukrainian negotiators said Ukraine proposed adopting neutral status in exchange for security guarantees at the latest round of talks with Russia, meaning it would not join military alliances or host military bases. The proposals would also include a 15-year consultation period on the status of annexed Crimea and could come into force only in the event of a complete ceasefire. Israel, Poland, Canada and Turkey could be among Ukraine security guarantors under the new security guarantee system. The negotiator also stated that there have been enough developments to have a meeting between the Presidents of Ukraine and Russia. Meanwhile, Russia promised at peace talks on Tuesday to drastically scale down its military operations around Kyiv and the northern Ukrainian city of Chernihiv "to increase mutual trust and create the necessary conditions for further negotiations." Russian Deputy Defense Minister, Alexander Fomin, said Russia had decided to scale down fighting near Kyiv and Chernihiv to create the conditions for dialogue. Top Russian negotiator, Vladimir Medinsky, said he would examine the Ukrainian proposals and report on them to President Vladimir Putin. He also stated that Russia's promise to scale down military operations around Kyiv and northern Ukraine does not represent a ceasefire.

The Kremlin said foreign companies need to understand that the "economic war" against Russia has changed the situation, meaning they need to buy roubles and pay for gas in the Russian currency.

The TASS news agency quoted the speaker of Russia's upper house of parliament as saying that Russia is ready for the possibility that Europe might stop buying Russian energy supplies. Valentina Matviyenko added that if Europe were to refuse to buy Russian energy then Moscow could redirect supplies to Asian markets among others.

Early Market Call - as of 8:00 AM EDT

WTI - May \$106.69 Up \$2.65

RBOB - Apr \$3.2800 Up 0.0733

HO - Apr \$3.4658 Up 0.0766

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	\$3.7161	-\$0.0673	-\$0.1481
May-22	\$3.3892	-\$0.0640	-\$0.2066
Jun-22	\$3.2437	-\$0.0469	-\$0.1359
Jul-22	\$3.1484	-\$0.0324	-\$0.0888
Aug-22	\$3.0656	-\$0.0259	-\$0.0810
Sep-22	\$3.0051	-\$0.0224	-\$0.1415
Oct-22	\$2.9609	-\$0.0185	-\$0.0783
Nov-22	\$2.9210	-\$0.0140	-\$0.0741
Dec-22	\$2.8890	-\$0.0102	-\$0.0656
Jan-23	\$2.8602	-\$0.0070	-\$0.0589
Feb-23	\$2.8311	-\$0.0051	-\$0.0553
Mar-23	\$2.7975	-\$0.0043	-\$0.0536
Apr-23	\$2.7627	-\$0.0010	-\$0.0520
May-23	\$2.7329	\$0.0012	-\$0.0500
Jun-23	\$2.7082	\$0.0007	-\$0.0489
Jul-23	\$2.6897	\$0.0007	-\$0.0507
Aug-23	\$2.6748	\$0.0008	-\$0.0516

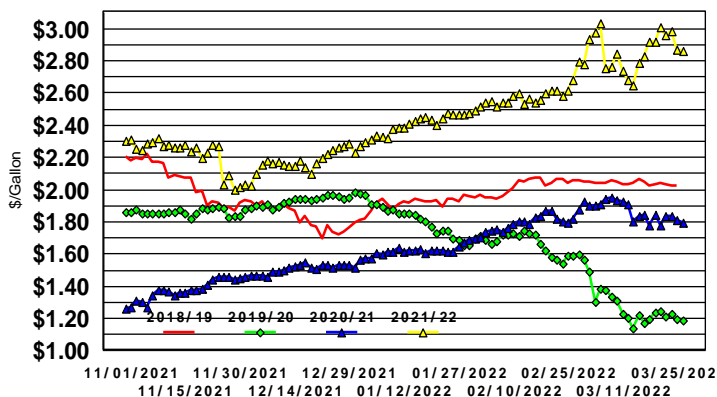
Sprague HeatCurve October 2022-April 2023			\$2.8557
		Close	Change
Crude - WTI	May Brent-	\$104.2400	-\$1.7200
Crude - Brent	WTI Spread	\$110.2300	-\$2.2500
Natural Gas	\$5.99	\$5.3360	-\$0.1720
Gasoline		\$3.2033	-\$0.0155

API Report for the Week Ending March 25, 2022

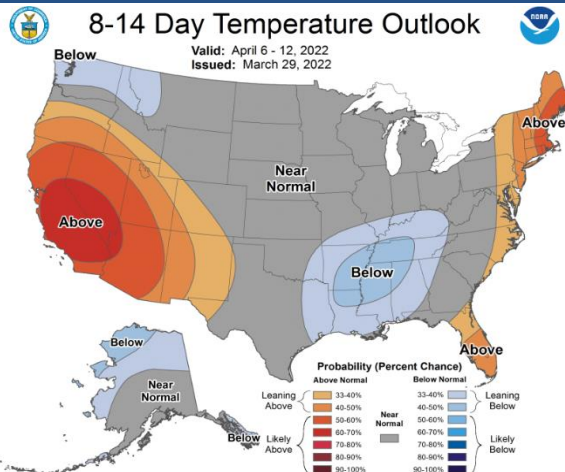
	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 3 million barrels	Down 1.0 million barrels
Gasoline Stocks	Down 1.4 million barrels	Down 1.7 million barrels
Distillate Stocks	Down 215,000 barrels	Down 1.6 million barrels
Refinery Runs		Up 0.3% at 91.4%

Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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