

Market Commentary

Recap: Oil futures continued to slide on Tuesday, falling \$10.01 or 9.12% over the last two sessions. WTI dropped below \$100 a barrel, hitting a two-week low as the demand outlook was pressured by coronavirus lockdowns in China and growing recession risks, while a strong dollar made crude more expensive for buyers using other currencies. Wall Street's main indexes also turned lower in volatile trading on concerns over aggressive monetary policy tightening and slowing economic growth. Early in the session, comments from the Saudi and UAE energy ministers boosted Brent and WTI up by more than \$1 a barrel. June WTI lost \$3.33 per barrel, or 3.23% to \$99.76. July Brent lost \$3.48 per barrel, or 3.28% to \$102.46, down \$9.93 or 8.84% over the last two sessions and the largest two day percentage decline since Tuesday, March 15, 2022. ULSL for June delivery gained 9.73 cents per gallon, or 2.54% to \$3.9322, the largest one day dollar and percentage gain since Wednesday, May 4, 2022, snapping a three session losing streak. RBOB Gasoline for June delivery lost 10.04 cents per gallon, or 2.76% to \$3.5415, losing 21.75 cents or 5.79% over the last two sessions and the largest two day dollar and percentage decline since Tuesday, March 29, 2022.

Market Analysis: Trading in the oil markets remain quite volatile, with extended ranges. June WTI came back to test the 10-day moving average to the upside, only to turn lower and blast through the 50-day moving average. As of now, and based upon moving oscillators, we would look for more downside movement, with the potential of hitting \$95. Below this level, additional support is seen at \$93.53. A break back above the 10-day moving average will most likely trigger cautious buying, as this market remains range bound. Resistance is set at \$101.97 and \$104.22.

Fundamental News: In its Short Term Energy Outlook, the EIA reported that total world petroleum consumption in 2022 is expected to increase by 2.22 million bpd to 99.61 million bpd and increase by 1.94 million bpd to 101.55 million bpd in 2023. Total world petroleum output in 2022 is estimated to increase by 4.32 million bpd to 99.89 million bpd and increase by 1.71 million bpd to 101.6 million bpd in 2023. OPEC's oil output is forecast to increase by 2.67 million bpd to 34.45 million bpd in 2022 and by 590,000 bpd to 35.04 million bpd in 2023. The EIA reported that U.S. total petroleum consumption is expected to increase 730,000 bpd to 20.51 million bpd in 2022. It is down from a previous estimate of an increase of 800,000 bpd. U.S. petroleum demand is estimated to increase by 270,000 bpd to 20.78 million bpd in 2023, down from a previous estimate of an increase in demand growth of 280,000 bpd. The EIA also forecast that U.S. crude oil output is expected to increase by 720,000 bpd to 11.91 million bpd in 2022, compared with a previous estimate of an increase of 820,000 bpd, while U.S. crude oil output is expected to increase 940,000 bpd to 12.85 million bpd in 2023.

United Arab Emirates Energy Minister, Suhail al-Mazrouei, said crude oil markets are balanced and volatility is linked to factors outside the control of the OPEC+ producers group.

The European Union's top diplomat, Josep Borrell, said he hoped for a deal soon on an EU oil embargo on Russia, possibly for EU foreign ministers to agree. Foreign ministers are due to meet on Monday, May 16th. He said if EU ambassadors could not agree this week, foreign ministers could try to break any deadlock, in a bid to win over reluctant states, particularly Hungary.

IAEA Director General, Rafael Grossi, said he is still hopeful for a deal between Iran and world powers to revive the 2015 nuclear pact but added that talks were struggling and the moment could be lost.

Early Market Call - as of 8:10 AM EDT

WTI - June \$103.48, up \$3.71
 RBOB - June \$3.6028, up 6.06 cents
 HO - June \$4.0252, up 9.3 cents

All NYMEX | Prior Settlements

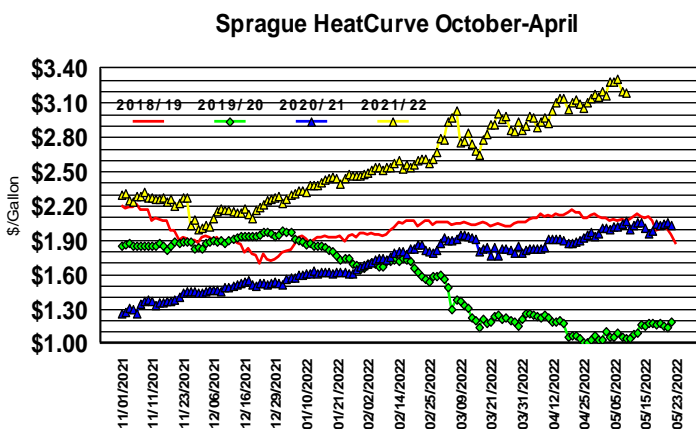
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-22	\$3.9322	\$0.0973	-\$0.1505
Jul-22	\$3.6793	\$0.0254	-\$0.0620
Aug-22	\$3.5344	\$0.0016	-\$0.0085
Sep-22	\$3.4587	-\$0.0031	-\$0.0842
Oct-22	\$3.3898	-\$0.0069	\$0.0273
Nov-22	\$3.3207	-\$0.0107	\$0.0344
Dec-22	\$3.2517	-\$0.0134	\$0.0378
Jan-23	\$3.1948	-\$0.0164	\$0.0340
Feb-23	\$3.1331	-\$0.0194	\$0.0243
Mar-23	\$3.0666	-\$0.0203	\$0.0103
Apr-23	\$2.9966	-\$0.0180	-\$0.0051
May-23	\$2.9394	-\$0.0166	-\$0.0174
Jun-23	\$2.8966	-\$0.0159	-\$0.0237
Jul-23	\$2.8673	-\$0.0157	-\$0.0282
Aug-23	\$2.8458	-\$0.0152	-\$0.0291
Sep-23	\$2.8267	-\$0.0146	-\$0.0310
Sep-23	\$2.8090	-\$0.0154	-\$0.0326

Sprague HeatCurve October 2022-April 2023			\$3.1844
		Close	Change
Crude - WTI	June Brent- WTI Spread \$4.01	\$98.4500	-\$3.3200
Crude - Brent		\$102.4600	-\$3.4800
Natural Gas		\$7.3850	\$0.3590
Gasoline		\$3.5415	-\$0.1004

API Report for the Week Ending May 6, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1.6 million barrels	Down 500,000 barrels
Gasoline Stocks	Up 823,000 barrels	Down 1.6 million barrels
Distillate Stocks	Up 662,000 barrels	Down 1.3 million barrels
Refinery Runs		Up 0.3% at 88.4%

Sprague HeatCurve October-April



WTI Continuation

