

## Market Commentary

**Recap:** Oil futures slipped on Thursday after reaching an almost ten-year high, as sellers jumped on hopes that the U.S. and Iran will agree soon on a nuclear deal that could add barrels to a badly undersupplied market. Trading was explosive, with traders pushing the price of a barrel of crude oil to an almost ten-year high on concern that sanctions imposed on Russia after its invasion of Ukraine a week ago would disrupt global oil flows. Both WTI and Brent rose to multi-year highs earlier in the session, with Brent soaring to \$119.77, its highest level since May 2012 and WTI reaching its highest level since September 2008 at \$116.57 a barrel. Market sentiment shifted lower, as international traders are still wary of becoming entangled in sanctions. May Brent crude futures settled at \$110.46/bbl, down \$2.47, 2.19%. April WTI futures settled at \$107.67/bbl, down \$2.93, 2.65%.

At least 10 tankers failed to find buyers on Wednesday, indicating a lack of demand. Several media reports have suggested that a deal between the United States and Iran is nearly complete, which could bring more than a million bpd of oil, or about 1% of global supply. Negotiations to revive the pact have been going on for 10 months in Vienna, and diplomats are now believed to be in the final stage of talks. This is causing traders to rethink their position on this market. As for now, we would look for this market to try and fill the gap between \$107.12 and \$96.09, that was left by Wednesday's open.

**Fundamental News:** IEA Executive Director, Fatih Birol, said International Energy Agency member countries have enough oil stocks to release more into the market to lower prices after Russia's invasion of Ukraine. He said "We have more than enough stocks to take further action if warranted. The 60 million barrels is only 4% of our stocks."

Iran's Oil Minister, Javad Owji, said Iranian oil production capacity can reach its maximum less than two months after a nuclear deal is reached.

The head of the International Atomic Energy Agency will visit Tehran on Saturday, raising the prospect of progress on one of the last difficult issues blocking a revival of the 2015 Iran nuclear deal.

A White House official said all sides are working to clarify their stances on the most difficult issues in talks to revive the 2015 Iran nuclear deal.

Russian Foreign Minister, Sergei Lavrov, said the Russian military operation against Ukraine is aimed, among other things, at ensuring that Kyiv does not join NATO. He said Russian forces were attacking military targets in Ukraine but added that the term "collateral damage" has been in use since the Western campaigns in Iraq and Libya. Earlier, he stated that he believed some foreign leaders were preparing for war against Russia and added that Moscow would press on with its military operation in Ukraine until "the end". Ukrainian negotiator, Myhalo Podolyak, said that the second round of ceasefire talks with Russia had not yielded the results Kyiv hoped for but the sides reached an understanding on creating humanitarian corridors to evacuate civilians. It was the first time the two sides had agreed any form of progress on any issues since Russia invaded Ukraine a week ago. He said a third round of talks is scheduled to take place early next week.

**Early Market Call - as of 8:05 AM EDT**

WTI - Apr \$114.33, up \$3.87  
 RBOB - Apr \$3.4194, up 13.5 cents  
 HO - Apr \$3.6570, up 15.36 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.5034	0.0087	0.6487
May-22	3.3289	0.0051	0.5374
Jun-22	3.1551	-0.0054	0.4110
Jul-22	3.0232	-0.0075	0.3161
Aug-22	2.9437	0.0001	0.2616
Sep-22	2.9085	0.0004	0.2264
Oct-22	2.8767	-0.0048	0.2168
Nov-22	2.8415	-0.0114	0.1957
Dec-22	2.8085	-0.0163	0.1778
Jan-23	2.7779	-0.0195	0.1627
Feb-23	2.7502	-0.0207	0.1540
Mar-23	2.7227	-0.0194	0.1483
Apr-23	2.6920	-0.0186	0.1433
May-23	2.6663	-0.0169	0.1383
Jun-23	2.6467	-0.0121	0.1336
Jul-23	2.6337	-0.0121	0.1283
Aug-23	2.6254	-0.0096	0.1262

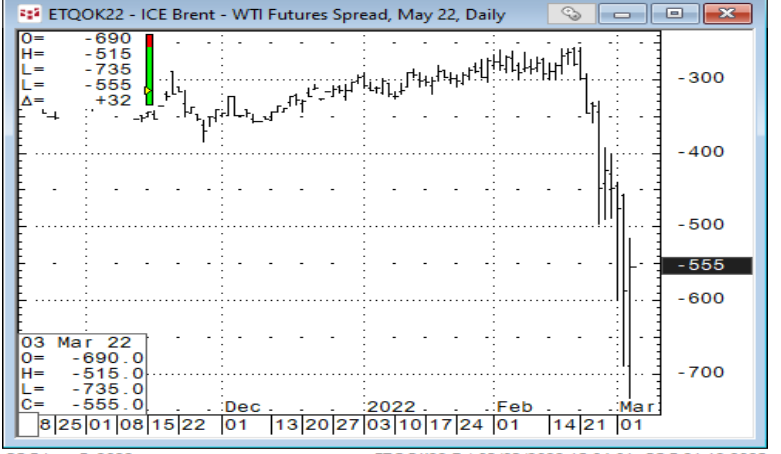
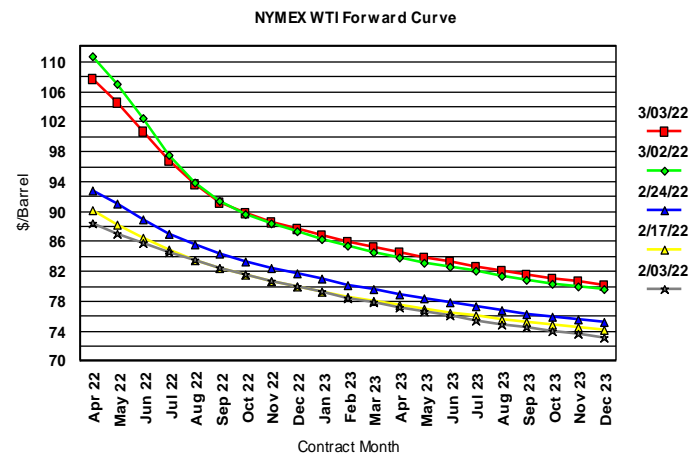
Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	May Brent-	\$104.6100	-\$2.4500
Crude - Brent	WTI Spread	\$110.4600	-\$2.4700
Natural Gas	\$5.85	\$4.7220	-\$0.0400
Gasoline		\$3.2844	-\$0.0239

## EIA Working Gas Storage Report

	25-Feb-22	18-Feb-22	Change	25-Feb-2021
East	358	396	-38	389
Midwest	404	450	-46	471
Mountain	96	105	-9	118
Pacific	164	176	-12	211
South Central	620	655	-35	670
Salt	163	168	-5	158
Nonsalt	457	487	-30	512
Total	1,643	1,782	-139	1,859

## WTI Forward Curve

## ICE May Brent-WTI Spread



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.