

## Market Commentary

**Recap:** The oil market on Thursday retraced some of Wednesday's sharp losses and remained mostly rangebound. The market steadied as Russia's Deputy Prime Minister, Alexander Novak, described oil markets as balanced and said the OPEC+ group does not see the need for further oil output cuts. The oil market, which seemed ready to post an inside trading session, breached its previous low and sold off to a low of \$74.03 by mid-day. Trading was relatively quiet as traders assessed the latest economic data. The latest data was mixed, showing that U.S. economic growth slowed more than expected in the first quarter while jobless claims fell in the week ending April 22<sup>nd</sup>. The market later continued to trade sideways ahead of the close. The June WTI contract settled up 46 cents at \$74.76 and the June Brent contract settled up 68 cents at \$78.37. However, the product markets ended the session in negative territory, with the heating oil market settling down 1.88 cents at \$2.3542 and the RB market settling down 1.66 cents at \$2.5328.

**Technical Analysis:** The oil market on Friday will likely continue to trade within a trading range from \$72.00 to \$78.00. Support is seen at its low of \$74.03, \$73.98, \$72.76, \$72.33 and \$71.76. More distant support is seen at \$69.27 and \$67.02. Meanwhile, resistance is seen at its high of \$75.28, \$75.82, \$77.22, \$77.60 and \$77.93. Further upside is seen at \$78.71, \$79.07, \$79.18 and \$79.81.

**Fundamental News:** OPEC's Secretary General, Haitham Al Ghais, said that the IEA should be "very careful about further undermining" oil industry investments, seen as vital for global economic growth. He added that OPEC and OPEC+ were not targeting oil prices but focusing on market fundamentals, and that finger pointing and misrepresenting the actions of the oil exporters and their allies was "counter-productive". He said blaming oil for inflation was "erroneous and technically incorrect" and that the IEA's repeated calls to stop investing in oil is what would lead to market volatility. On Wednesday, Fatih Birol, the executive director of the IEA said OPEC should be careful about pushing oil prices up as that would translate into a weaker global economy.

Russian Deputy Prime Minister, Alexander Novak, said the OPEC+ group saw no need for further oil output cuts despite lower-than-expected Chinese demand, but added that the organization can always adjust policy if necessary. He said Russia reached its targeted output this month after announcing cuts of 500,000 bpd or 5% of its oil production until the year-end. He said Russian oil and gas condensate production is expected to decline to around 515 million tons or 10.3 million bpd this year from 535 million tons in 2022. He said the recovery of oil demand in China following the COVID-19 pandemic was "probably lower" than analysts and experts had expected. He said OPEC+ did not expect oil shortages on the global oil market after the production cuts, even though the IEA said they risked exacerbating a supply deficit expected in the second half of the year.

Nigeria's state-owned oil company NNPC said industrial action at the country's Exxon Mobil Corp facilities had ended after resolution of a labor dispute over pay and conditions. The industrial action had forced NNPC to declare force majeure on oil liftings at its terminals in the country. It said the dispute was constraining 300,000 bpd of oil production. Exxon Mobil Corp resumed operations at its facilities after resolving the labor dispute. Mobil Producing Nigeria Unlimited, Esso Exploration and Production Nigeria Limited, and Esso Exploration and Production Limited are now operating at normal levels.

### Early Market Call - as of 8:45 AM EDT

WTI - June \$75.34, up 58 cents  
 RBOB - May \$2.5617, up 2.89 cents  
 HO - May \$2.3588, up 46 points

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-23	2.3542	-0.0188	-0.1407
Jun-23	2.3525	-0.0167	-0.1283
Jul-23	2.3550	-0.0150	-0.1229
Aug-23	2.3633	-0.0137	-0.1176
Sep-23	2.3725	-0.0134	-0.1122
Oct-23	2.3795	-0.0121	-0.1070
Nov-23	2.3807	-0.0107	-0.1035
Dec-23	2.3784	-0.0101	-0.1013
Jan-24	2.3806	-0.0087	-0.0973
Feb-24	2.3784	-0.0077	-0.0937
Mar-24	2.3685	-0.0062	-0.0903
Apr-24	2.3494	-0.0045	-0.0871
May-24	2.3388	-0.0045	-0.0854
Jun-24	2.3298	-0.0046	-0.0836
Jul-24	2.3263	-0.0039	-0.0806
Aug-24	2.3233	-0.0028	-0.0777
Sep-24	2.3206	-0.0018	-0.0752

### Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$74.7600	\$0.4600
Crude - Brent	\$78.3700	\$0.6800
Natural Gas	\$2.3550	\$0.0500
Gasoline	\$2.5328	-\$0.0166

### EIA Working Gas Storage Report

	21-Apr-23	14-Apr-23	Change	21-Apr-22
East	390	363	27	238
Midwest	468	450	18	308
Mountain	90	84	6	90
Pacific	90	83	7	171
South Central	971	949	22	677
Salt	275	266	9	213
Nonsalt	695	684	11	464
Total	2009	1930	79	1,484

## WTI Forward Curve

## ICE June Brent-WTI

