

Market Commentary

Recap: Oil futures were up by more than 3% in early trading on Wednesday as Moscow said peace talks with Ukraine had hit a dead end, fueling supply worries, while weak economic data from China and Japan kept a lid on gains. Crude oil prices are drawing support off of Russia's comments on peace talks as Russian oil and gas condensate production falls below 10 million barrels per day, to its lowest level since July 2020. The easing of COVID-19 lockdown measures in China have also least support. Traders also shrugged off a large than expected rise in U.S. crude oil inventories and instead focused on dwindling supplies of refined fuels such as gasoline and distillates. WTI for May delivery tacked on \$3.65, or 3.63%, to settle at \$104.25 a barrel. June Brent settled at \$108.78 per barrel, up \$4.14, or 3.96%. Petroleum products also gained, with May RBOB adding 13.75 cents, or 4.36%, to settle at \$3.2913 per gallon and May heating oil gaining 25.40 cents, or 7.33%, to settle at \$3.7184 a gallon.

Technical Analysis: WTI worked its way back above the long standing uptrend line that stems from the lows of December, as well as the downtrend line off of the March highs. That being said, we would like to see a break above \$105.88, the 38% retracement provided by the March high of \$130.50 and the December low of \$66.04, before we see prices recover. Support is seen at \$100.87 and below that at \$99.

Fundamental News: The International Energy Agency lowered its 2022 estimate for global oil demand by 260,000 bpd due to the surge of Covid in China and lower OECD demand. It said OECD industry stocks fell by 42.2 million barrels to 2.611 billion barrels in February, nearly double the seasonal trend. It said global oil inventories have decreased for 14 consecutive months. It said February global stocks were 714 million barrels below the end of 2020 level, with OECD countries accounting for 70% of the decline. OPEC+ countries have insisted that no supply shortage exists. OECD industry stocks in February fell at a steep pace to stand 320 million barrels below the five-year average. It said lower demand, more output from OPEC+ and beyond along with IEA states' stock releases should prevent a sharp deficit. The IEA also stated that the full impact of sanctions and buyer aversion to Russian oil will take full effect from May onwards. It said Russian oil supply is expected to fall by 1.5 million bpd in April and by 3 million bpd from May. It said about 700,000 bpd of Russian oil production has reportedly been shut so far in April. The IEA added that it expects Russian refiners to extend run cuts in April as more buyers shut barrels and Russian storage fills up. It said traditional Russian oil customers are cutting back and there are no signs of increased volumes going to China.

Gasoline exports from Europe to the U.S. East Coast were set to increase in April from March, with about 500,000 tons already booked on the transatlantic route compared with a total of 430,000 tons in March.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending April 15th, cutting available refining capacity by 157,000 bpd. Offline capacity is expected to fall to 1.05 million bpd in the week ending April 22nd.

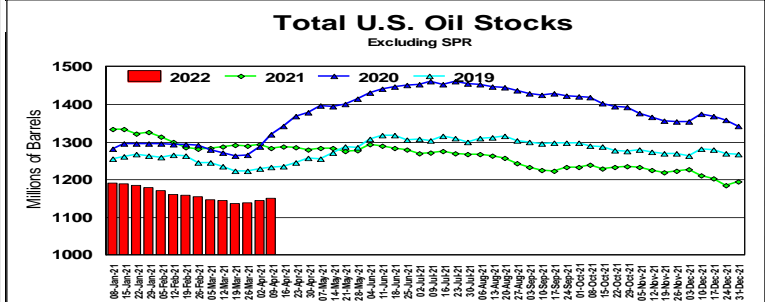
Early Market Call - as of 8:30 AM EDT

WTI - May \$108.83 Down \$1.52
 RBOB - May \$3.2546 Down 0.0344
 HO - May \$3.7660 Up 0.0476

All NYMEX | Prior Settlements

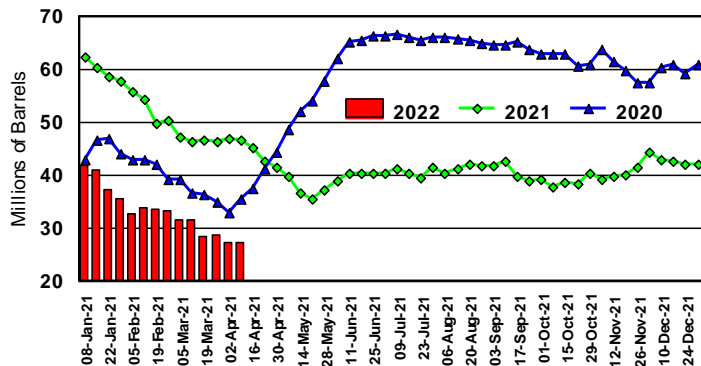
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.7184	0.254	0.3732
May-22	3.5277	0.1997	0.3612
Jun-22	3.4073	0.1577	0.3292
Jul-22	3.3165	0.1274	0.2944
Aug-22	3.2603	0.1103	0.2382
Sep-22	3.2182	0.0977	0.2496
Oct-22	3.1778	0.0865	0.2333
Nov-22	3.1402	0.077	0.2220
Dec-22	3.1118	0.0722	0.2166
Jan-23	3.0828	0.0699	0.2134
Feb-23	3.0471	0.0672	0.2080
Mar-23	3.0079	0.065	0.2044
Apr-23	2.9717	0.0623	0.1976
May-23	2.9389	0.0593	0.1906
Jun-23	2.9146	0.0558	0.1824
Jul-23	2.8944	0.0533	0.1757
Aug-23	2.879	0.0511	0.1704

Sprague HeatCurve October 2022-April 2023		\$3.1074
	Close	Change
Crude - WTI	\$103.7900	\$3.6400
Crude - Brent	\$108.7800	\$4.1400
Natural Gas	\$6.9970	\$0.3170
Gasoline	\$3.2913	\$0.1375



Weekly EIA Petroleum Status Report for the Week Ending April 8, 2022

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 9.4 million barrels
 Cushing, OK Crude Stocks Up 450,000 barrels
Gasoline Stocks Down 3.6 million barrels
Distillate Stocks Down 2.9 million barrels
Refinery % Operated 90%, Down 2.5%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 8, 2022	Week Ending Apr 1, 2022	Week Ending Apr 9, 2021
New England	4.5	4.9	9.5
Central Atlantic	11.1	10.6	23.4
Total PADD #1	27.4	27.3	46.7
Distillate Imports (thousands b/d)	75	47	226