

Market Commentary

Recap: At the onset of Monday's trading session, oil futures were trading close to unchanged, but quickly turned higher as concerns grew about tighter global supplies, with the crisis in Ukraine deepening, raising the prospect of heavier sanctions by the west against Russia, as on reports of an outage at Libya's largest oil field. Ahead of Easter weekend holidays, both contracts gained more than 2.5% on Thursday on news that the European Union might phase in a ban on Russian oil imports. Over the weekend, tensions increased in Ukraine, with Ukrainian soldiers resisting a Russian ultimatum to lay down arms on Sunday in the pulverized port of Mariupol. The International Energy Agency had warned that roughly 3 million barrels per day (bpd) of Russian oil could be shut in from May onwards due to sanctions, or buyers voluntarily shunning Russian cargoes. Adding to pressure, Libya halted oil production from its El Feel oilfield on Sunday and two sources at Zueitina oil port said exports there had been suspended after protesters calling for Tripoli-based Prime Minister Abdulhamid al-Dbeibah to resign took over the sites. WTI for May delivery rose \$1.26, or 1.2%, to settle at \$108.21 a barrel, its highest settlement since March 25. June Brent added \$1.46, or 1.31%, to settle at \$113.16 a barrel. May RBOB slipped .033 cents, or 0.10% to 43.3781 per gallon, while May heating oil rose 0.93%, to settle at \$3.8908 a gallon.

Technical Analysis: The 10 and 50-day moving averages for WTI are trending higher, supporting further upside potential. At this point, and as long as we hold above the 50-day moving average, we continue to look for this market to post gains. A push above \$100 opens up for a run at the \$115 level. That being said, we are quite comfortable buying dips down toward the 50-day moving average.

Fundamental News: Libya's National Oil Corp warned of a "painful wave of closures" and declared force majeure on some output and exports as forces in the east expanded their blockade of the sector over a political standoff. On Monday, Libya's National Oil Corp. declared force majeure at the Zueitina oil port and warned that "a painful wave of closures" had begun hitting its facilities. It also declared force majeure at the Al-Sharara oilfield. On Sunday, Libya halted oil production from its El Feel oilfield. The force majeure on El Feel curtails the country's production by 70,000 bpd. Libya's NOC said in a statement that a group of people, which it did not identify, had entered the facilities of El Feel the previous day and prevented employees from working. Meanwhile, two oil engineers at Zueitina told Reuters that protesters got into the port on Sunday morning preventing a tanker from loading 1 million barrels at the port.

According to the EIA's rig productivity report, U.S. total shale regions oil production in May increased by 133,000 bpd to 8.649 million bpd following an increase of 129,000 bpd in April. U.S. Bakken oil production for May is seen increasing by 17,000 bpd to 1.186 million bpd following an increase of 17,000 bpd in April. U.S. Eagle Ford oil production in May is seen up 26,000 bpd at 1.166 million bpd following an increase of 23,000 bpd in April, while U.S. Permian Basin oil production for May is seen up 82,000 bpd at 5.137 million bpd, following an increase of 80,000 bpd increase in April.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending April 22nd, increasing available refining capacity by 50,000 bpd. It reported that offline capacity is expected to fall to 972,000 bpd in the week ending April 29th.

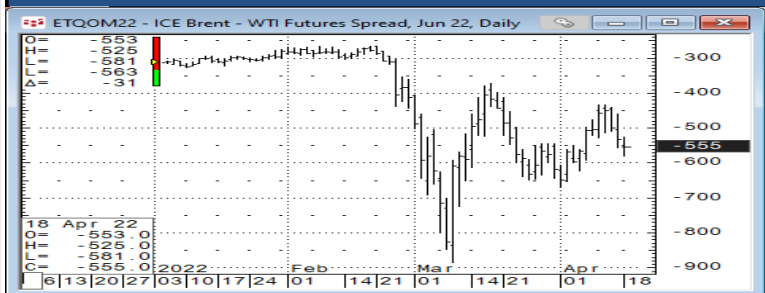
Early Market Call - as of 8:20 AM EDT
WTI - May \$105.64, down \$2.57
RBOB - May \$3.2912, down 8.69 cents
HO - May \$3.8177, down 7.31 cents

All NYMEX | Prior Settlements

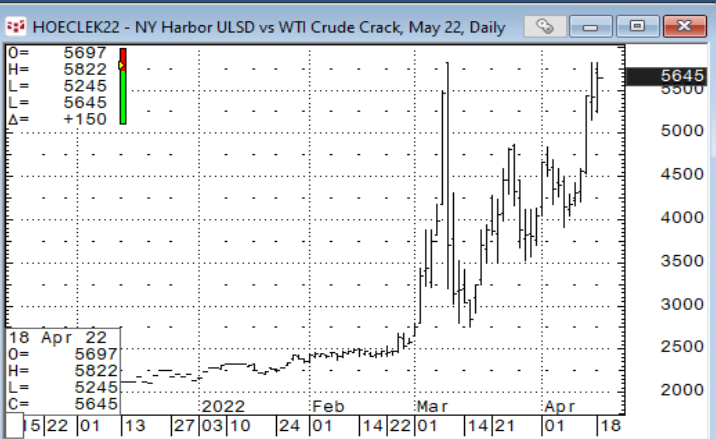
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.8908	0.036	0.4264
May-22	3.6435	-0.0007	0.3155
Jun-22	3.5003	-0.0021	0.2507
Jul-22	3.3964	0.0006	0.2073
Aug-22	3.329	0.0033	0.1399
Sep-22	3.2747	0.0039	0.1542
Oct-22	3.2225	0.0044	0.1312
Nov-22	3.1763	0.0043	0.1131
Dec-22	3.1418	0.0034	0.1022
Jan-23	3.1085	0.0024	0.0956
Feb-23	3.0699	0.0024	0.0900
Mar-23	3.0266	0.0025	0.0837
Apr-23	2.9869	0.0019	0.0775
May-23	2.9521	0.0023	0.0725
Jun-23	2.9264	0.0018	0.0676
Jul-23	2.9031	0.001	0.0620
Aug-23	2.8846	0.0005	0.0567

Sprague HeatCurve October 2022-April 2023			\$3.1392
		Close	Change
Crude - WTI	May Brent-	\$107.6100	\$1.2300
Crude - Brent	WTI Spread	\$113.1600	\$1.4600
Natural Gas	\$5.55	\$7.8200	\$0.5200
Gasoline		\$3.3781	-\$0.0030

ICE June Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

