

## Market Commentary

**Recap:** Oil futures jumped 7% on Friday, ending the week at multi-year highs as Russia's invasion of Ukraine intensified and oil buyers turned barrels away from the world's second-largest exporter of crude oil. Crude prices posted their largest weekly gains since the middle of 2020, with the Brent benchmark up 16% and U.S. crude gaining 21%. The most commonly traded oil futures closed at levels not seen since 2013 and 2008, respectively. Russia exports 4 to 5 million barrels of oil daily, making it the second-largest crude exporter in the world trailing only Saudi Arabia. Traders were barely able to sell Russian oil all week, with Shell PLC on Friday the only notable buyer of a Russian cargo, which was sold at a steep \$28 discount to physical Brent crude. April WTI ended the week at \$115.68 a barrel, up \$8.01, or 7.4%, while May Brent rose \$7.65, or 6.9%, to settle at \$118.11 a barrel. That was the highest close for Brent since February 2013 and for WTI since September 2008. During the week, Brent rose to its highest intraday since May 2012 and WTI its highest since September 2008. April RBOB settled at \$3.5440 a gallon, up .2596 cents. April heating oil tacked on .2729 cents, to close at \$3.7763

**Market Outlook:** Volatility in the oil markets continues to be fueled by fears over a disruption to Russian oil exports in the wake of Western sanction, which would support higher prices, and the prospect of more Iranian supplies in the event of a nuclear deal with Tehran, which could provide short-term relief to higher prices. With concerns about Russian crude oil, it does make sense that we would see crude oil rally as shipping has all but abandoned Russia. If that oil does in fact come off of the market, then it makes a certain amount of sense that we would see higher prices. Furthermore, we have the problem with the reopening trade not being fully covered, as production of crude oil was slowed down during the pandemic. Everything put together, it is obvious that this is a market that is probably going to go higher. Look for short-term pullbacks to take advantage of value.

**Fundamental News:** Iran's Foreign Minister, Hossein Amirabdollahian, said that the West's "haste" to reach a nuclear agreement "cannot prevent the observance of Iran's red lines", including economic guarantees. Iranian media quoted Amirabdollahian as telling the EU's top diplomat, Josep Borrell, by telephone that "Our delegation will continue to work hard to reach a final and good agreement." Meanwhile, the chief British envoy, Stephanie Al-Qaq, said indirect talks between Iran and the U.S. are close to reaching an agreement.

Japan's Industry Minister, Koichi Hagiuda, said Japan will release 7.5 million barrels of oil from private reserves as a part of an International Energy Agency-led coordinated release. The volume makes up 12.5% of a planned coordinated release of 60 million barrels of oil reserves that the United States and other member states of the IEA agreed to on Tuesday to compensate for supply disruptions following Russia's invasion of Ukraine.

Spain's government spokesperson, Isabel Rodriguez, said the country will release 2 million barrels of oil from its strategic reserves to help calm energy markets.

Trading sources said the European and Atlantic physical crude market has been brought to a near standstill by an increase in prices and differentials as well as extreme volatility following Russia's invasion of Ukraine. Many European buyers have avoided Russian oil due to the fear of potential future Western sanctions, with trader "self-sanctioning" but they haven't rushed to buy alternative grades because they have become overly expensive.

**Early Market Call - as of 8:50 AM EDT**

WTI - Apr \$118.57 up \$2.89

RBOB - Apr \$3.6267 up 8.27 cents

HO - Apr \$3.9187 up 14.24 cents

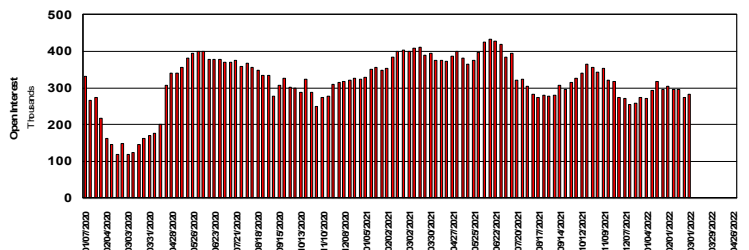
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	\$3.7763	\$0.2729	\$0.9705
May-22	\$3.5736	\$0.2447	\$0.8285
Jun-22	\$3.3837	\$0.2286	\$0.6844
Jul-22	\$3.2137	\$0.1905	\$0.5503
Aug-22	\$3.1160	\$0.1723	\$0.4760
Sep-22	\$3.0751	\$0.1666	\$0.4351
Oct-22	\$3.0433	\$0.1666	\$0.4210
Nov-22	\$3.0020	\$0.1605	\$0.3921
Dec-22	\$2.9666	\$0.1581	\$0.3707
Jan-23	\$2.9329	\$0.1550	\$0.3513
Feb-23	\$2.9026	\$0.1524	\$0.3384
Mar-23	\$2.8715	\$0.1488	\$0.3281
Apr-23	\$2.8395	\$0.1475	\$0.3213
May-23	\$2.8133	\$0.1470	\$0.3154
Jun-23	\$2.7926	\$0.1459	\$0.3096
Jul-23	\$2.7789	\$0.1452	\$0.3035
Aug-23	\$2.7676	\$0.1422	\$0.2983

### Sprague HeatCurve October 2022-April 2023 \$2.9313

	Close	Change
Crude - WTI	\$112.1100	\$7.5000
Crude - Brent	\$118.1100	\$7.6500
Natural Gas	\$5.0160	\$0.2940
Gasoline	\$3.5440	\$0.2596

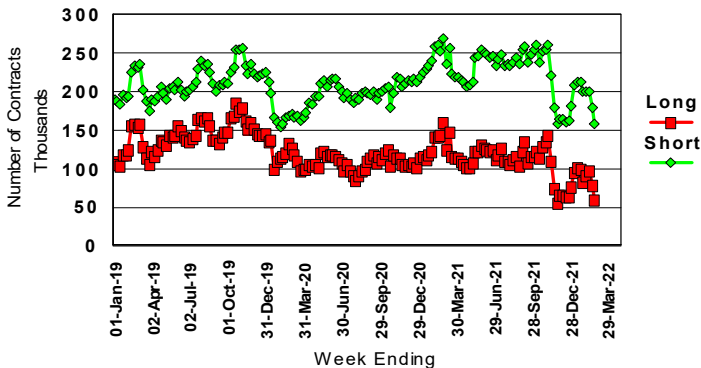
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending March 1, 2022

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

