

## Market Commentary

**Recap:** Oil futures sold off on Tuesday, with front month contracts falling 5%, after the IMF reduced its economic growth forecast and warned of higher inflation, and as the U.S. dollar strengthened amid continued lockdowns in Shanghai. Traders sold off long positions as renewed demand concerns encouraged the exiting of risky long positions. Tuesday's sell-off follows a four-session streak that saw WTI rise by 15% to a three-week high. Traders are also focusing on the lifting of the mask mandate in the U.S.; as the TSA has decided to stop enforcing the wearing of masks on airplanes to see if it will kick start jet-fuel demand that has seen a weak start to spring travel. WTI for May delivery fell \$5.65, or 5.22%, to settle at \$102.56 per barrel, while June Brent lost \$5.91, or 5.22%, to settle at \$107.25 a barrel. Petroleum products also fell, with May RBOB losing 13.07 cents, or 3.87%, to settle at \$3.2474 per gallon and May heating oil down 2.89 cents, or 0.74%, to settle at \$3.8619 a gallon.

**Market Analysis:** Despite Tuesday's sell-off, the main trend of the market remains to the upside. A trade above \$110 will indicate a resumption of the uptrend, with the potential of this market reaching the March 24 high of \$116.64. That being said, the chart is showing signs of exhaustion, with each run up resulting in a lower high than that of the previous one. With this in mind, we think prices can work a bit lower, with break below the 50-day moving average is sure to spark a risk off selling streak. Should we get a move below \$92.93; a resumption of the down trend will ensue.

**Fundamental News:** Standard Chartered Global Research expects a balanced oil market in the second quarter but sees the balance of risks skewed towards a supply surplus. It expects global oil demand to average 97.3 million bpd in the second quarter. It also stated that it expects Russian output to fall to 2.45 million bpd in the second quarter from the first quarter.

Diesel and gasoil arrivals into Europe in April are on track to reach 4.48 million tons. Arrivals from the East in April are set to reach their highest level since November last year.

Gasoline exports from Europe to North America are set to reach 555,000 tons in April, up from 500,000 tons in March.

French Finance Minister, Bruno Le Maire, said that an embargo on Russian oil at a European Union level was in the works, adding that France's President Emmanuel Macron wants such a move. He said "I hope that in the weeks to come we will convince our European partners to stop importing Russian oil."

Libya's National Oil Corporation declared force majeure at the Brega oil port on Tuesday, saying it was unable to fulfil its commitments towards the oil market.

According to an OPEC report, OPEC+ produced 1.45 million bpd below its production targets in March, as Russian output began to decline following sanctions imposed by the West.

A union official said Chevron Corp and the United Steelworkers union rejected each other's proposals to end a month-long strike at the company's Richmond, California refinery. The proposals were exchanged last week. About 500 workers at the refinery went on strike on March 21<sup>st</sup> after talks between the two sides failed. No meetings are planned in the coming week.

**Early Market Call - as of 8:00 AM EDT**

WTI - May \$103.93, up \$1.60

RBOB - May \$3.2565, up 99 points

HO - May \$3.9142, up 5.31 cents

## All NYMEX | Prior Settlements

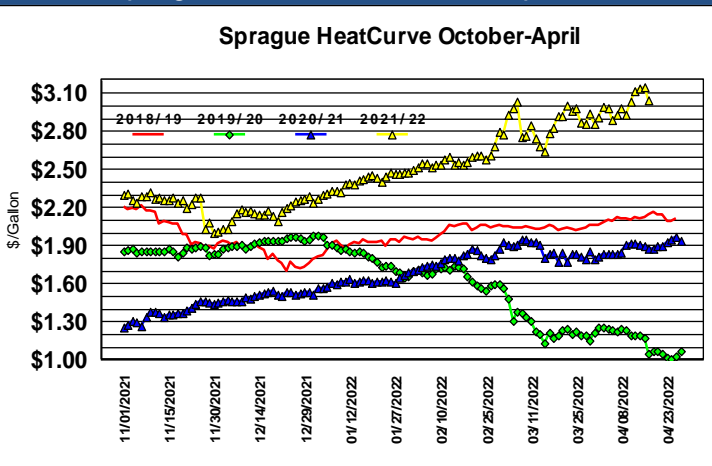
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-22	\$3.8619	-\$0.0289	\$0.1435
Jun-22	\$3.5772	-\$0.0663	\$0.0495
Jul-22	\$3.4194	-\$0.0809	\$0.0121
Aug-22	\$3.3082	-\$0.0882	-\$0.0083
Sep-22	\$3.2352	-\$0.0938	-\$0.0813
Oct-22	\$3.1778	-\$0.0969	-\$0.0404
Nov-22	\$3.1245	-\$0.0980	-\$0.0533
Dec-22	\$3.0774	-\$0.0989	-\$0.0628
Jan-23	\$3.0424	-\$0.0994	-\$0.0694
Feb-23	\$3.0090	-\$0.0995	-\$0.0738
Mar-23	\$2.9700	-\$0.0999	-\$0.0771
Apr-23	\$2.9260	-\$0.1006	-\$0.0819
May-23	\$2.8877	-\$0.0992	-\$0.0840
Jun-23	\$2.8541	-\$0.0980	-\$0.0848
Jul-23	\$2.8288	-\$0.0976	-\$0.0858
Aug-23	\$2.8063	-\$0.0968	-\$0.0881
Sep-23	\$2.7904	-\$0.0942	-\$0.0886

Sprague HeatCurve October 2022-April 2023			\$3.0400
		Close	Change
Crude - WTI	June Brent- WTI Spread \$5.20	\$102.0500	-\$5.5600
Crude - Brent		\$107.2500	-\$5.9100
Natural Gas		\$7.1760	-\$0.6440
Gasoline		\$3.2474	-\$0.1307

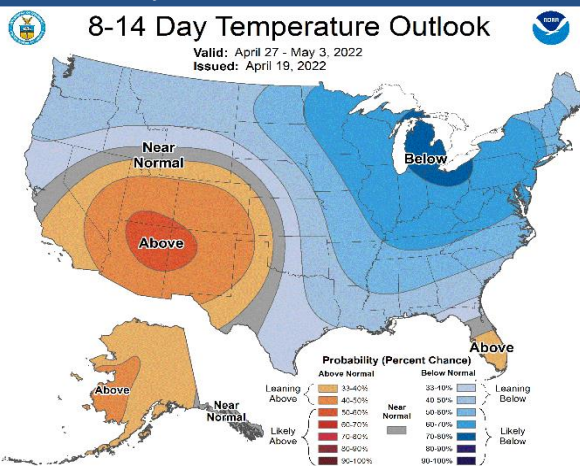
### API Report for the Week Ending April 15, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.5 million barrels	Down 800,000 barrels
Gasoline Stocks	Up 2.9 million barrels	Down 1.2 million barrels
Distillate Stocks	Down 1.7 million barrels	Down 1.6 million barrels
Refinery Runs		Up 0.8% at 90.8%

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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