

Market Commentary

Recap: Oil prices gave up early gains on Thursday after its biggest plunge in two years in the previous session, as traders debated if the market's supply disruption concerns were overdone after Russia pledged to fulfill contractual obligations. Since the Russian invasion of Ukraine, oil markets have experienced the most volatile in two years, with Brent recording its biggest decline since April 2020, on Wednesday, following a rally to a 14-year high. Not surprisingly, trading was quiet following Wednesday's huge sell-off. April WTI lost \$2.68, or 2.47% on Thursday, to settle at \$106.02 a barrel, while Brent for May delivery slipped \$1.81, or 1.63%, to close at \$109.33 a barrel. Petroleum products also fell, with April RBOB losing .1371 a gallon, to settle at \$3.1567, while April heating oil fell .1681, to settle at \$3.2962 a gallon.

Technical Analysis: Thursday's price action suggests traders should be prepared for continued volatility with tight global supplies remaining the key issue. While most of the fundamentals point toward higher prices, bullish traders are also concerned about a U.S.-Iran nuclear deal and the lifting of sanctions against Venezuela that would lead to more oil hitting the market. So far, WTI has retraced 38% of its push off of the January low of \$61.97 to the March high of \$136.44. Should we get a settlement below \$104.28, we would for a dip down toward the trend line, currently set at \$101.70. That being said, this market is still in an up-trend and such dips will provide excellent buying opportunities.

Fundamental News: Iran called on the United States to drop "unacceptable proposals" in talks on reviving Tehran's nuclear deal with world powers, while Russia's demands for guarantees from Washington complicated efforts to close an agreement. The 2015 deal that lifted sanctions on Iran in return for curbs on its nuclear program was on the verge of being restored after 11 months of negotiations until Russia presented a new obstacle last week by demanding written guarantees from the United States that Western sanctions over its invasion of Ukraine would not affect its trade with Iran. Top security official Ali Shamkhani said that in the absence of a political decision by the United States the talks "become more complicated every hour". He said the United States was making "unreasonable offers" and exerting "unjustified pressure" to quickly reach an agreement which shows that Washington is not interested in a strong accord. Iran's Foreign Minister, Hossein Amirabdollahian, told the European Union's High Representative, Josep Borrell, that new U.S. demands in nuclear talks are illogical and contradict Washington's desire for a speedy agreement. Meanwhile, Iranian President Ebrahim Raisi said Iran will not back down from any of its red lines in talks in Vienna.

White House Press Secretary, Jen Psaki, said senior U.S. officials have been in contact with oil company executives in regards to the Ukraine crisis and high oil prices.

The UAE's Energy Minister, Suhail al-Mazrouei said the country is committed to the OPEC+ agreement on monthly oil production and has not agreed to individually increase production outside that framework. Earlier, a UAE source said the country will not act on its own to increase its oil output. The source said the UAE remains committed to the OPEC+ alliance and only its energy ministry is responsible for oil policy. On Wednesday, the UAE's ambassador to Washington, Yousuf Al Otaiba, had stated in a statement the embassy posted on Twitter that Abu Dhabi favored an increase in oil production and would encourage OPEC to consider higher output.

The Iraqi Oil Ministry said in a statement Iraqi Oil Minister, Ihsan Abdul Jabbar, and OPEC Secretary-General, Mohammad Barkindo, agreed that OPEC+ is keen to achieve supply and demand balance and ensure market stability.

Early Market Call - as of 8:05 AM EDT

WTI - Apr \$106.50, up 48 cents
 RBOB - Apr \$3.2318, up 7.69 cents
 HO - Apr \$3.3260, up 2.69 cents

All NYMEX | Prior Settlements

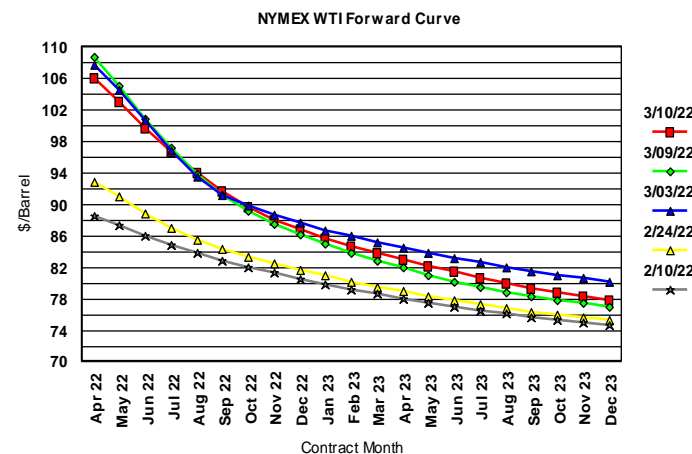
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.2962	-0.1681	-0.2072
May-22	3.1957	-0.1387	-0.1332
Jun-22	3.1067	-0.1130	-0.0484
Jul-22	3.0404	-0.0852	0.0172
Aug-22	2.9869	-0.0636	0.0432
Sep-22	2.9396	-0.0387	-0.0041
Oct-22	2.8909	-0.0155	0.0142
Nov-22	2.8417	0.0021	0.0002
Dec-22	2.7948	0.0098	-0.0137
Jan-23	2.7595	0.0125	-0.0184
Feb-23	2.7327	0.0125	-0.0175
Mar-23	2.7028	0.0143	-0.0199
Apr-23	2.6692	0.0191	-0.0228
May-23	2.6442	0.0258	-0.0221
Jun-23	2.6224	0.0273	-0.0243
Jul-23	2.6075	0.0274	-0.0262
Aug-23	2.5935	0.0276	-0.0319

Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	May Brent-WTI Spread \$6.34	\$102.9900	-\$2.0600
Crude - Brent		\$109.3300	-\$1.8100
Natural Gas		\$4.6310	\$0.1050
Gasoline		\$3.1567	-\$0.1371

EIA Working Gas Storage Report

	04-Mar-22	25-Feb-22	Change	4-Mar-21
East	317	358	-41	355
Midwest	364	404	-40	444
Mountain	93	96	-3	114
Pacific	162	164	-2	206
South Central	582	620	-38	683
Salt	151	163	-12	174
Nonsalt	431	457	-26	509
Total	1,519	1,643	-124	1,800

WTI Forward Curve



ICE May Brent-WTI

