

Market Commentary

Recap: Oil prices traded lower in volatile trading on Tuesday as growing worries about coronavirus demand destruction offset supply concerns after the United States and Europe planned to impose new sanction on Russia for alleged war crimes in Ukraine. Lockdowns in Shanghai have been extended to cover all of the financial center's 26 million people, despite growing anger over quarantine rules in the city. While at the same time, U.S. President Joe Biden's national security adviser said new U.S. sanctions would be announced this week and the European Union also proposed sweeping new sanctions against Russia, including a ban of coal imports. In an effort to calm oil prices, U.S. and allied countries agreed last week to a coordinated oil release from strategic reserves for the second time in a month. May WTI lost \$1.32, or 1.28%, to settle at 101.96 a barrel. Year to date, this market is up \$26.75, or 35.57%. Brent for June delivery lost 89 cents, or .083%, to finish the session at \$106.64 a barrel and is up \$28.86, or 37.10% year on year. Petroleum products slipped as well, with May RBOB giving up 3.32 cents per gallon, or 1.04% to \$3.1649, for a year to date gain of 93.64 cents, or 42.02%. May heating oil dipped 7.79 cents, or 2.20%, to 3.4682 a gallon, up \$1.1381, or 48.84%, year to date.

Market Analysis: Oil prices continue to consolidate despite the volatility in this market. WTI failed to break out to the upside by taking out \$105.88, the 38% retracement provide by the March high of \$130.50 and the December low of \$66.04, giving back gains to show signs of weakness. We expect to see continued volatility in this market, with the 50-day moving average sitting just below. This technical indicator has provided quite a bit of support, with a long term upward trend line sitting below that. That being said, as long as we hold above these indicators, we expect see higher prices.

Fundamental News: Sources stated that member states of the International Energy Agency were still discussing how much oil they would release from storage and added that an announcement was expected in coming days. On Friday, the IEA said it had agreed to a coordinated release of oil but specified no volumes, a day after the White House said it would release 180 million barrels from its storage. A government source from an IEA member country said the oil contributions of member states would be considered a part of the 180 million barrels already announced by the United States. Another source, who said the IEA was reaching out bilaterally to each country to discuss their oil outlays, said the issue of whether their releases would be a part of or an addition to the 180 million barrels remained unclear.

Earlier, Japan's Industry Minister, Koichi Hagiuda, said the IEA is still examining details of a planned second round of the coordinated release of oil reserves. He said Japan aims to make a decision on its release plan swiftly after receiving official notification from the IEA to make the cooperative action effective.

According to Refinitiv oil research, diesel arrivals into Europe in April were estimated at 2.88 million tons, with Eastern imports overtaking those from Russia and the Baltics at just over 1.5 million tons.

According to analyst estimates, global oil supply disruptions could reach 5 million bpd as sanctions, war and infrastructure failures hit supply just as demand is recovering close to an all-time high.

Federal Reserve Governor, Lael Brainard, said she expects methodical interest rate increases and rapid reductions to the Fed's balance sheet to bring U.S. monetary policy to a "more neutral position" later this year, with further tightening to follow as needed. She said she sees upside risks to inflation from Russia's invasion of Ukraine, and noted that COVID lockdowns in China could worsen supply chain bottlenecks that have kept upward pressure on prices.

Early Market Call - as of 8:35 AM EDT

WTI - May \$103.18, up \$1.22

RBOB - May \$3.1889, up 2.40 cents

HO - May \$3.5339, up 6.57 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	3.4682	-0.0779	0.079
May-22	3.2784	-0.0481	0.0347
Jun-22	3.1806	-0.0262	0.0322
Jul-22	3.1238	-0.0185	0.0582
Aug-22	3.0892	-0.0132	0.0236
Sep-22	3.0629	-0.0107	0.102
Oct-22	3.0355	-0.0094	0.1145
Nov-22	3.0076	-0.009	0.1186
Dec-22	2.9817	-0.0095	0.1215
Jan-23	2.9533	-0.0098	0.1222
Feb-23	2.9213	-0.01	0.1238
Mar-23	2.8864	-0.0118	0.1237
Apr-23	2.8574	-0.0129	0.1245
May-23	2.8309	-0.0138	0.1227
Jun-23	2.8142	-0.0146	0.1245
Jul-23	2.8	-0.0168	0.1252
Aug-23	2.788	-0.0183	0.1257

Sprague HeatCurve October 2022-April 2023 \$2.9752

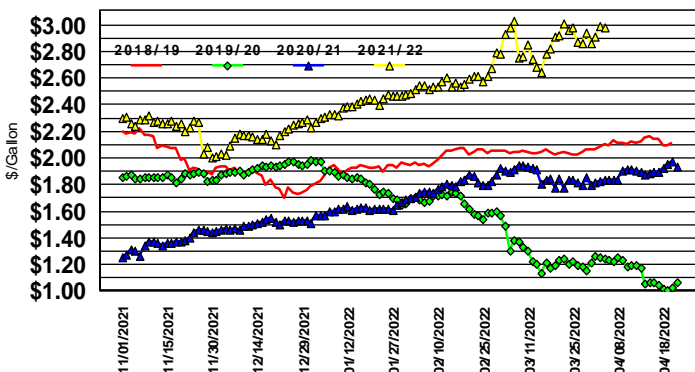
		Close	Change
Crude - WTI	May Brent-WTI Spread \$5.96	\$100.6800	-\$1.1600
Crude - Brent		\$106.6400	-\$0.8900
Natural Gas		\$6.0320	\$0.3200
Gasoline		\$3.1649	-\$3.3200

API Report for the Week Ending April 1, 2022

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 1.1 million barrels	Down 3.0 million barrels
Gasoline Stocks	Down 543,000 barrels	Down 300,000 barrels
Distillate Stocks	Up 593,000 barrels	Down 1.1 million barrels
Refinery Runs		Up 0.3% at 92.4%

Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast

8-14 Day Temperature Outlook

