

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures traded higher on Monday, after last week's setback. Concerns over continued delays in the Suez Canal and expectations that OPEC+ will keep output through May spurred prices higher. Although the grounded container ship was freed, traders were concerned about persistent delays. Traders were also expressing belief that Russia would support broadly stable oil output by OPEC+ in May, while seeking a relatively small output hike for itself to meet the rising seasonal demand. May WTI added 59 cents, or 1%, to settle at \$61.56 a barrel, while Brent for May delivery rose 41 cents, or 0.6%, to settle at \$64.98 a barrel. Petroleum products finished mixed, with April RBOB adding 1.4%, to \$1.9952 a gallon, while April heating oil finished nearly flat at \$1.8098 a gallon.

Technical Analysis: May WTI bounced off of the 50-day moving average and recaptured the 10-day moving average. The up move saw a cross to the upside in the slow stochastics, which supports higher prices. Also propping up prices is this week's meeting between OPEC and its allies. This should help to keep WTI above \$60 in the short term, while lockdowns in Europe having the possibility of lasting weeks, with restrictions becoming tighter. That being said, we would look for this market to trade sideways between \$55 and \$65.

Fundamental News: A source familiar with Russia's thinking said Russia would support broadly stable oil output by OPEC+ group of leading global oil producers in May, while seeking a relatively small output increase for itself to meet the rising seasonal demand. Last week, sources stated that they expect a decision similar to the last meeting when OPEC and its allies including Russia, also known as OPEC+, meets on April 1st to decide output policy.

The Suez Canal Authority said the Ever Given container ship that blocked the Suez Canal for almost a week was fully floated on Monday and traffic in the waterway resumed. Egypt's Leth Agencies said 43 vessels had resumed transit from the Great Bitter Lake, which separates two sections of the canal. Earlier, at least 369 vessels were waiting to transit the canal, including dozens of container ships, bulk carriers, oil tankers and liquefied natural gas or liquefied petroleum gas vessels. Top container shipping lines said the stranding of a container ship in the Suez Canal has created disruptions in the global shipping industry that could take weeks and possibly months to clear. Empty containers, which Asian factories need to ship goods, are also caught up in the backlog. Maersk said that "even when the canal gets reopened, the ripple effects on global capacity and equipment are significant". Maersk has three vessels stuck in the canal and another 29 waiting to enter, adding that it had so far rerouted 15 vessels to sail south of Africa instead. Switzerland's MSC, the world's number 2 line, said separately on Saturday the situation was "going to result in one of the biggest disruptions to global trade in recent years".

IIR Energy reported that U.S. oil refiners are expected to shut in 2.4 million bpd of capacity offline in the week ending April 2nd, increasing available refining capacity by 506,000 bpd from the previous week. Offline capacity is expected to fall to 1.8 million bpd in the week ending April 9th.

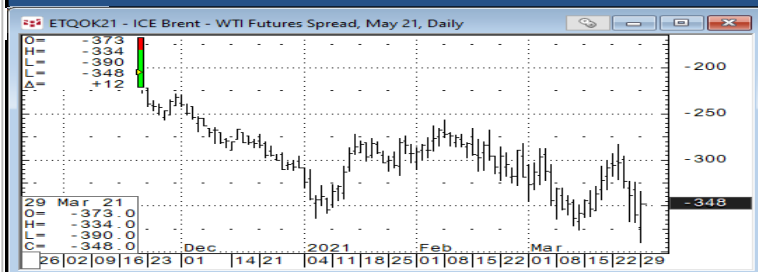
Early Market Call - as of 8:20 AM EDT

WTI - May \$60.51, down \$1.04
 RBOB - Apr \$1.9714, down 2.38 cents
 HO - Apr \$1.7942, down 1.56 cents

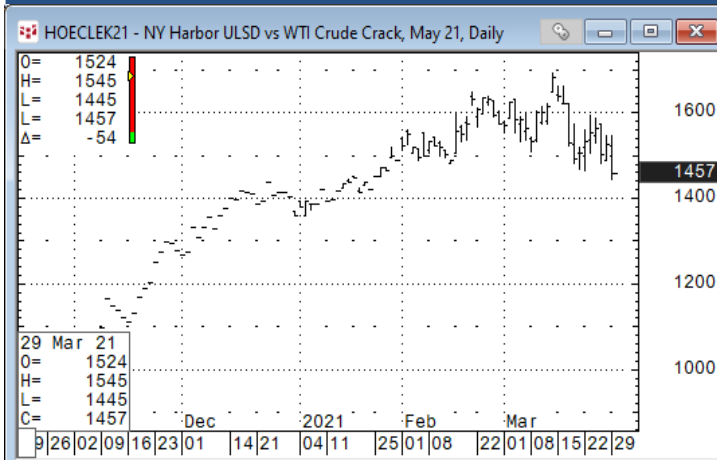
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.8098	-0.0002	0.0195
May-21	1.8115	0.0001	0.0188
Jun-21	1.8143	0.0003	0.0170
Jul-21	1.8177	0.0009	0.0158
Aug-21	1.8207	0.0014	0.0148
Sep-21	1.8241	0.0016	0.0145
Oct-21	1.8270	0.0012	0.0143
Nov-21	1.8296	0.0009	0.0138
Dec-21	1.8305	0.0009	0.0134
Jan-22	1.8327	0.0007	0.0134
Feb-22	1.8326	0.0004	0.0136
Mar-22	1.8276	0.0000	0.0143
Apr-22	1.8170	-0.0002	0.0145
May-22	1.8109	-0.0005	0.0150
Jun-22	1.8070	-0.0010	0.0158
Jul-22	1.8095	-0.0010	0.0157
Aug-22	1.8118	-0.0007	0.0154

Sprague HeatCurve October 2021-April 2022			\$1.8294
		Close	Change
Crude - WTI	May Brent-	\$61.5600	\$0.5900
Crude - Brent	WTI Spread	\$64.9800	\$0.4100
Natural Gas	\$3.42	\$2.5860	\$0.0290
Gasoline		\$1.9952	\$0.0279

ICE May Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

