

Market Commentary

Recap: The oil market on Thursday posted an inside trading day after failing to breach its previous trading range. The market traded sideways and posted a high of \$83.44 in overnight trading as it attempted to test its previous high of \$83.53. However, the market erased some of its gains as it traded to \$82.65 early in the session, where it found some support in light of the latest economic data. The Producer Price Index report released on Thursday morning and Wednesday's Consumer Price Index report both showed that inflation was easing, possibly reducing the likelihood of the Fed increasing rates much higher. The market was also supported by OPEC suggesting that it still expects relatively strong global demand this year in its monthly oil report, despite its members recently deciding to cut its output further. Despite the supportive data, the crude market erased its gains and sold off during the remainder of the session. The May WTI contract posted a low of \$82.11 ahead of the close and settled down \$1.10 at \$82.16. The June Brent contract settled down \$1.24 at \$86.09. The product markets also ended the session lower, with the heating oil market settling down 3.03 cents at \$2.6728 and the RB market settling down 4.1 cents at \$2.8317.

Technical Analysis: On Friday, the oil market is seen retracing some of its losses and testing its previous high ahead of the weekend. The market, which is in overbought territory, is seen finding initial resistance at \$83.44, \$83.53 followed by \$85.45 and \$87.51. More distant resistance is seen at \$88.68, \$89.84 and \$90.10. Meanwhile, support is seen at its low of \$82.65, \$82.50, \$81.90 and \$81.28. Further support is seen at \$79.37 and its gap from \$79.00 to \$75.72.

Fundamental News: OPEC noted downside risks to summer oil demand as part of the reason for the unexpected output target cuts announced by OPEC+ producers on April 2nd, although the producer group maintained its forecast for global oil demand growth in 2023. In its monthly report, OPEC said demand will increase by 2.32 million bpd or 2.3%. This was unchanged from last month's forecast. OPEC said China's oil demand is expected to increase by 760,000 bpd in 2023, up from a previous estimate of an increase of 710,000 bpd. OPEC said the usual U.S. seasonal demand uptick during the summer could take a hit from any economic weakness due to interest rate hikes and the reopening of China had yet to stop a decline in global refining intake of crude. It said OECD inventories have been building in recent months, leaving oil product balances less tight than at the same time last year. The report also showed OPEC's oil production fell in March, reflecting the impact of earlier output cuts pledged by OPEC+ to support the market as well as some unplanned outages. OPEC said its March output fell by 86,000 bpd to 28.80 million bpd.

Colonial Pipeline Co is allocating space for Cycle 23 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

BP PLC said it started oil production at Argos, its first platform launch in the U.S. Gulf of Mexico since 2008 and its fifth operating in the basin. The new platform integrates the Mad Dog 2 oil project and is part of BP's plan to reach 400,000 bpd of oil and gas in the United States by mid-decade. Argos is expected to reach its 140,000 bpd of oil equivalent capacity later this year.

According to data from the General Administration of Customs, China's crude oil imports in March increased by 22.5% from a year earlier to the highest since June 2020, as refiners stepped up runs to capture fuel export demand and in anticipation of a domestic economic recovery. China's crude imports in March totaled 52.3 million tons or 12.3 million bpd. This compares with 10.1 million bpd of crude imported in March last year.

Early Market Call - as of 8:15 AM EDT

WTI - May \$82.34, up 18 cents

RBOB - May \$2.8299, down 18 points

HO - May \$2.6610, down 1.10 cents

All NYMEX | Prior Settlements

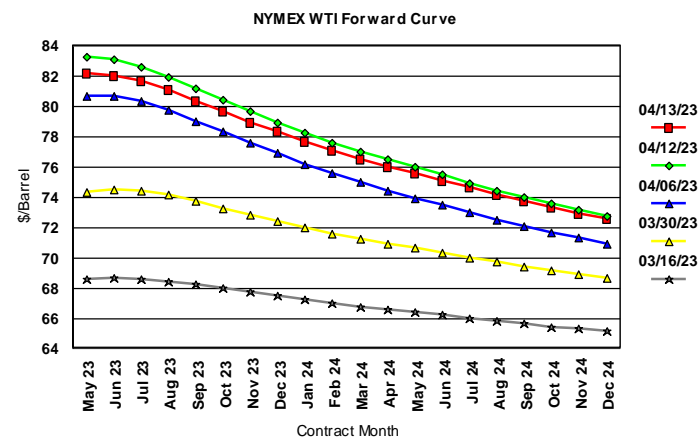
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-23	2.6728	-0.0303	0.0123
Jun-23	2.6363	-0.0237	0.0241
Jul-23	2.6250	-0.0199	0.0206
Aug-23	2.6230	-0.0190	0.0177
Sep-23	2.6229	-0.0190	0.0155
Oct-23	2.6222	-0.0185	0.0153
Nov-23	2.6177	-0.0174	0.0182
Dec-23	2.6111	-0.0157	0.0226
Jan-24	2.6054	-0.0139	0.0254
Feb-24	2.5932	-0.0134	0.0241
Mar-24	2.5733	-0.0134	0.0217
Apr-24	2.5450	-0.0135	0.0190
May-24	2.5274	-0.0135	0.0178
Jun-24	2.5126	-0.0137	0.0176
Jul-24	2.5049	-0.0129	0.0180
Aug-24	2.4981	-0.0118	0.0185
Sep-24	2.4908	-0.0119	0.0176

Sprague HeatCurve October 2023-April 2024			\$2.5965
		Close	Change
Crude - WTI	June Brent-	\$82.0400	-\$1.0500
Crude - Brent	WTI Spread	\$86.0900	-\$1.2400
Natural Gas	\$4.05	\$2.0070	-\$0.0860
Gasoline		\$2.8317	-\$0.0410

EIA Working Storage Report

	31-Mar-23	31-Mar-23	Change	07-Apr-22
East	345	335	10	231
Midwest	427	421	6	293
Mountain	80	80	0	90
Pacific	74	73	1	168
South Central	929	921	8	613
Salt	261	263	-2	184
Nonsalt	667	658	9	429
Total	1855	1830	25	1,395

WTI Forward Curve



8-14 Day Weather Forecast

