

Market Commentary

Recap: Oil futures jumped as much as 7.5% on Monday, with May Brent climbing above \$116 a barrel and April WTI topping the \$112 level, as European Union members considered joining the United States in a Russian oil embargo and after a weekend attack on Saudi oil facilities. European Union leaders are meeting this week with U.S. President Joe Biden and are expected to consider imposing an oil embargo on Russia over its invasion of Ukraine. With little sign of the conflict easing, the focus returned to whether the market would be able to replace Russian barrels hit by sanctions. May Brent settled at \$115.62 a barrel, up \$7.69 or 7.12, while added \$7.42, or 7.09%, to settle at \$112.12 a barrel. April RBOB added .1328, to settle at \$3.3716 a gallon, and April heating tacked on .2028, to settle at \$3.8009 a gallon.

Technical Analysis: WTI pushed past the \$110 level, to settle just below resistance set at \$112.50. At this point, we would look for continued strength, with \$115 within sight. We look for the 10-day moving average to provide a level of support, with a break below it opening up the opportunity for a run at the 50-day moving average, which is currently set at \$95.95.

Fundamental News: The Saudi Energy Ministry and state media said Yemen's Iran-aligned Houthi group fired missiles and drones at Saudi energy and water desalination facilities, causing a temporary fall in output at a refinery. The Ministry reported that drone strikes hit a petroleum products distribution terminal in the southern Jizan region, a natural gas plant and the Yasref refinery in the Red Sea port of Yanbu. Aramco CEO Amin Nasser told a call about the firm's earnings there was no impact from the attacks on its supply to customers. He said the escalating attacks by Yemen's Houthi against oil installations in Saudi Arabia should be a global concern at a time when the oil market was tight.

Saudi state news agency reported that Saudi Arabia said it would not bear responsibility for any shortages in oil supplies to global markets in light of the recent attacks by the Houthi militia on Saudi oil facilities.

The European Union Foreign Policy Chief, Josep Borrell, said foreign ministers will discuss imposing more sanctions on Russia, including sanctions on the country's energy and oil sector.

The Kremlin said Europe would be hit hard in the event of an embargo on Russian oil, impacting the continent's energy balance, but would not affect the United States. Meanwhile, Russia's Deputy Prime Minister, Alexander Novak, said the refusal by the United States and Britain to purchase Russian oil would have little impact on Moscow because they only buy small amounts of Russian crude. He said Russia was in the process of resolving logistical issues linked to its oil shipments abroad and that the country's oil and gas production was continuing as usual despite sanctions.

Vitol's Chief Executive, Russell Hardy, sees oil demand in 2022 outpacing the pre-pandemic levels of 2019, with energy prices likely to remain elevated for some time.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.015 million bpd of capacity in the week ending March 25th, increasing available refining capacity by 2,000 bpd. Offline capacity is expected to fall to 934,000 bpd in the week ending April 1st.

Early Market Call - as of 8:05 AM EDT

WTI - Apr \$112.25, up 38 cents

RBOB - Apr \$3.3757, up 36 points

HO - Apr \$3.8137, up 1.84 cents

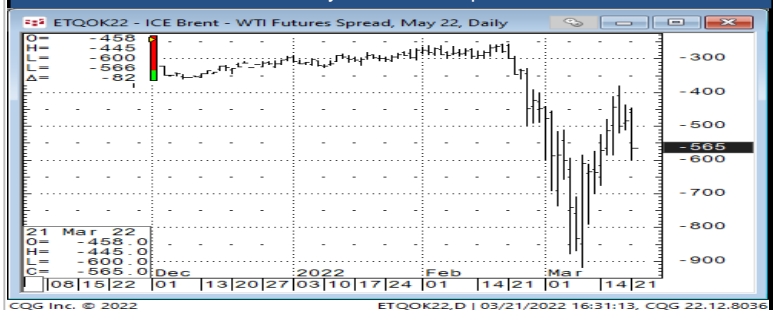
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-22	\$3.8009	\$0.2028	\$0.5246
May-22	\$3.5350	\$0.1529	\$0.3834
Jun-22	\$3.3417	\$0.1366	\$0.2853
Jul-22	\$3.2125	\$0.1283	\$0.2191
Aug-22	\$3.1276	\$0.1234	\$0.1876
Sep-22	\$3.0731	\$0.1138	\$0.1331
Oct-22	\$3.0305	\$0.1058	\$0.1767
Nov-22	\$2.9879	\$0.0986	\$0.1776
Dec-22	\$2.9482	\$0.0936	\$0.1787
Jan-23	\$2.9140	\$0.0905	\$0.1767
Feb-23	\$2.8816	\$0.0850	\$0.1707
Mar-23	\$2.8472	\$0.0791	\$0.1651
Apr-23	\$2.8156	\$0.0780	\$0.1655
May-23	\$2.7879	\$0.0744	\$0.1643
Jun-23	\$2.7625	\$0.0676	\$0.1599
Jul-23	\$2.7465	\$0.0635	\$0.1549
Aug-23	\$2.7324	\$0.0594	\$0.1508

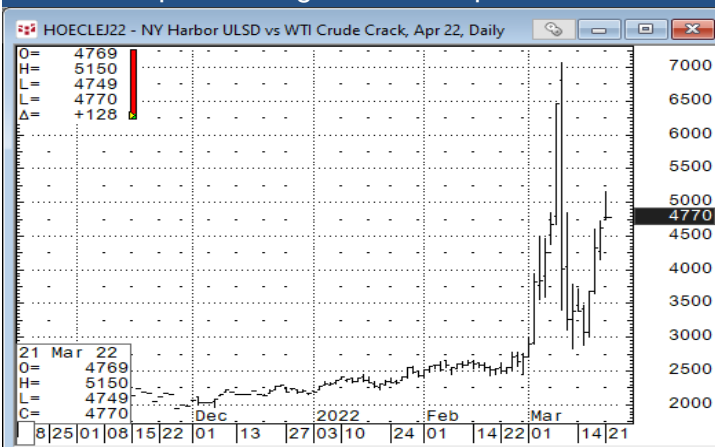
Sprague HeatCurve October 2022-April 2023

	Close	Change
Crude - WTI	\$112.1200	\$7.4200
Crude - Brent	\$115.6200	\$7.6900
Natural Gas	\$4.9000	\$0.0370
Gasoline	\$3.3716	\$0.1328

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

