

Market Commentary

Recap: RBOB futures surged to a record close on Friday, boosting crude oil to a positive weekly finish. Driving today's large gains was a rebound in risk appetite as US stock markets rallied a bit after a brutal trading week. Also, energy investors remain very concerned over falling US inventories of refined fuels, especially diesel. What's more, they're worried refiners will overcompensate the imbalance by making more diesel fuel and less gasoline, leading to worrisome drops in gasoline inventories. Also behind the higher move is the vulnerability of Europe, as imports from Russia are expected to decline as sanctions against that country tighten. June WTI gained 4.36 per barrel, or 4.11% to settle at \$110.49. This is a weekly gain of 72 cents, or 0.66%. Brent for July delivery added \$4.10, or 3.82%, to end at \$111.55 a barrel, losing 84 cent on the week. June RBOB tacked on 16.61 cents, or 4.38%, to settle at \$3.9578 per gallon, for a weekly gain of 19.88 cents. ULSD for June delivery posted a modest gain of 0.51 cent, or 0.13%, settling at \$3.9212 per gallon, falling 3.31 cents on the week.

Technical Analysis: After getting slammed at the beginning of the week, oil futures received a life sustaining bounce as the week progressed. For the first time since the beginning of March, WTI broke above the down trending line on the symmetrical triangle that can be depicted on a spot continuation chart. If the up move becomes validated, based upon the breakout, this market has potential of reaching \$122.80; a validation typically involves a retest at the point of breakout, followed by a return to the prior move, which in this case is to the upside. There is resistance set at \$116.65, with support down at \$108.55 and below that at \$105.80.

Fundamental News: According to Refinitiv research, gasoline exports from Europe to the U.S. East Coast increased this week, with six vessels booked on the route. Total exports on the transatlantic route were set to reach 840,000 tons in May, the highest in six months, as demand grows ahead of the summer driving season.

The EU's foreign policy chief, Josep Borrell, said that he believed a trip to Tehran by his coordinator to the Iran nuclear talks, Enrique Mora, this week had unblocked the situation after two months of deadlock in efforts to revive the 2015 accord between Iran and world powers. On Thursday, a French diplomatic source said there is little chance of the United States agreeing to remove Iran's elite security force from its list of foreign terrorist organizations any time soon. Meanwhile, a German Foreign Ministry spokesperson said Germany expects a swift conclusion to Iran nuclear talks.

The U.S. State Department said it appreciated the European Union's efforts to revive talks on restoring the 2015 Iran nuclear deal but said there was no agreement yet and no certainty that one might be reached.

Baker Hughes reported that U.S. energy firms last week added oil and natural gas rigs for an eighth consecutive week. It said the oil and gas rig count increased by 9 to 714 in the week ending May 13th, the highest since March 2020. U.S. oil rigs increased by six to 563 this week, their highest level since March 2020, while gas rigs increased by 3 to 149, the highest level since September 2019.

IIR Energy said U.S. oil refiners are expected to shut in about 1.1 million bpd of capacity in the week ending May 13th, increasing available refining capacity by 25,000 bpd. Offline capacity is expected to decline to 861,000 bpd in the week ending May 20th.

Colonial Pipeline Co is allocating space for Cycle 29 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Early Market Call - as of 9:00 AM EDT

WTI - June \$110.20, down 30 cents

RBOB - June \$4.0068, up 4.9 cents

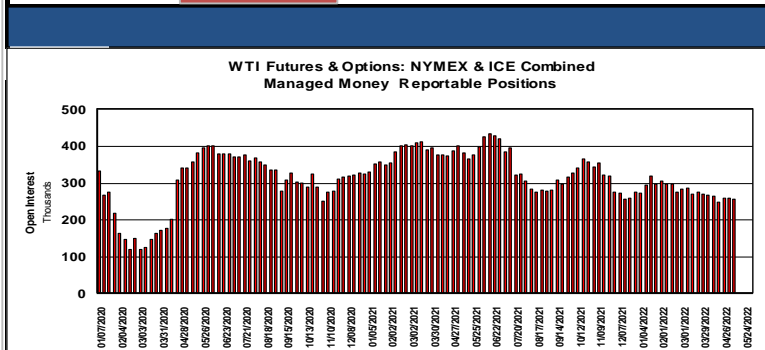
HO - June \$3.8937, down 2.75 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jun-22	3.9212	0.0051	-0.0331
Jul-22	3.7608	0.0245	-0.0280
Aug-22	3.6583	0.0438	-0.0114
Sep-22	3.5914	0.0458	-0.0783
Oct-22	3.5267	0.0458	0.0041
Nov-22	3.4618	0.0462	0.0115
Dec-22	3.3964	0.0466	0.0200
Jan-23	3.3387	0.0437	0.0230
Feb-23	3.2751	0.0402	0.0229
Mar-23	3.2062	0.0359	0.0203
Apr-23	3.1311	0.0318	0.0130
May-23	3.0655	0.0286	0.0033
Jun-23	3.0074	0.0224	-0.0132
Jul-23	2.9719	0.0166	-0.0188
Aug-23	2.9446	0.0123	-0.0225
Sep-23	2.9232	0.0109	-0.0235
Oct-23	2.9012	0.0093	-0.0260

Sprague HeatCurve October 2022-April 2023

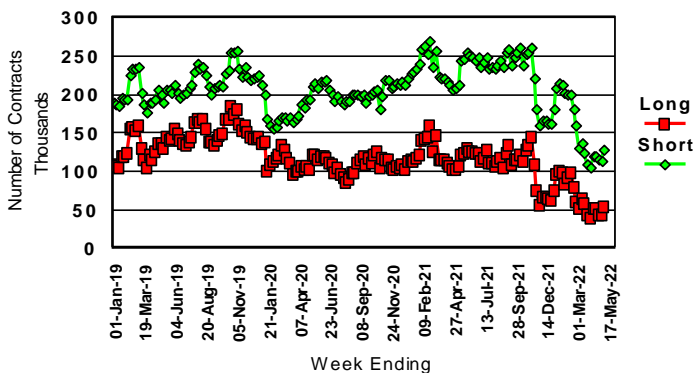
	Close	Change
Crude - WTI	\$108.6300	\$4.2300
Crude - Brent	\$111.5500	\$4.1000
Natural Gas	\$7.6630	-\$0.0760
Gasoline	\$3.9578	\$0.1661



Commitment of Traders Report for the Week Ending May 10, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

