

## Market Commentary

**Recap:** The oil market continued to trend lower on Wednesday and posted an 18.56% decline in April, its largest monthly decline since November 2021 as the Trump administration's tariff policy eroded the outlook for fuel demand while concerns over increasing supply also weighed on market sentiment. The market posted a high of \$60.43 in overnight trading and continued on its downward trend amid some negative Chinese economic data showing China's factory activity contracted at the fastest pace in 16 months in April. The crude market remained pressured by data showing the U.S. economy contracted for the first time in three years during the first quarter, deepening concerns over the impact of U.S. tariffs and the global trade war. The market extended its losses to over \$2.50 and retraced more than 62% of its move from a low of \$54.57 to a high of \$64.87, as it posted a low of \$57.91 in light of Saudi Arabia signaling it can live with lower oil prices, a possible shift that could suggest a move towards producing more and increasing its market share. The oil market later bounced off its low and retraced some of its losses ahead of the close. The June WTI contract settled down \$2.21 at \$58.21 and the June Brent contract settled down \$1.13 at \$63.12. The product markets ended the session lower, with the heating oil market settling down 8.37 cents at \$2.0367 and the RB market settling down 3.42 cents at \$2.0370.

**Technical Analysis:** The oil market, which breached its support levels, is seen trading lower as stochastics are still trending down. The market will remain pressured by the negative sentiment in light of the Trump administration's tariff policy and its impact on demand. The market will also trend lower on expectations that OPEC+ will increase its output by accelerating its output hikes for a second consecutive month when it meets on May 5<sup>th</sup>. The crude market is seen finding support at its low of \$57.91, \$54.67 and \$51.64. Meanwhile, resistance is seen at \$60.15, \$60.43, \$62.07, \$63.92 and \$64.87.

**Fundamental News:** The EIA reported that total U.S. crude oil production increased to 13.16 million bpd in February, up about 29,000 bpd from January. Crude oil output from New Mexico increased about 72,000 bpd to a record 2.13 million bpd. Meanwhile, oil output in North Dakota fell by 35,000 bpd on the month. Crude oil output in Texas increased by 41,000 bpd on the month to 5.62 million bpd and output in offshore Gulf of Mexico fell by 39,000 bpd on the month. It reported that U.S. oil exports in February increased to 4.294 million bpd, up from 3.931 million bpd in January and total refined oil product exports fell to 2.779 million bpd in February from 2.914 million bpd in January. U.S. total oil demand in February increased by 1.4% or 276,000 bpd to 20.225 million bpd, with distillate demand increasing by 2% or 78,000 bpd to 3.997 million bpd and gasoline demand increasing by 0.9% or 80,000 bpd to 8.681 million bpd.

IIR Energy said U.S. oil refiners are expected to shut in about 1.32 million bpd of capacity in the week ending May 2<sup>nd</sup>, increasing available refining capacity by 302,000 bpd. Offline capacity is expected to fall to 971,000 bpd in the week ending May 9<sup>th</sup>.

Iran's Foreign Minister, Abbas Araqchi, said Iran will hold nuclear talks with the U.K., France and Germany in Rome on Friday, ahead of nuclear negotiations with the U.S. this weekend also to be held in Italy.

The U.S. economy contracted in the first quarter, weighed down by a flood of goods imported by businesses eager to avoid higher costs, amid President Donald Trump's tariff policy. The Commerce Department's Bureau of Economic Analysis said in its advance estimate of first-quarter GDP that U.S. GDP fell at a 0.3% annualized rate last quarter. Economists had forecast that GDP increased at a 0.3% pace in the January-March period. The economy grew at a 2.4% pace in the fourth quarter. It reported that imports increased at a 41.3% rate, the largest increase since the third quarter of 2020. That offset a modest increase in exports, resulting in a large trade gap that cut a record 4.83 percentage points from GDP.

**Early Market Call - as of 8:20 AM EDT**

WTI - Jun \$57.11, down \$1.11

RBOb - May \$1.9982, down 2.55 cents

HO - May \$1.9773, down 3.5 cents

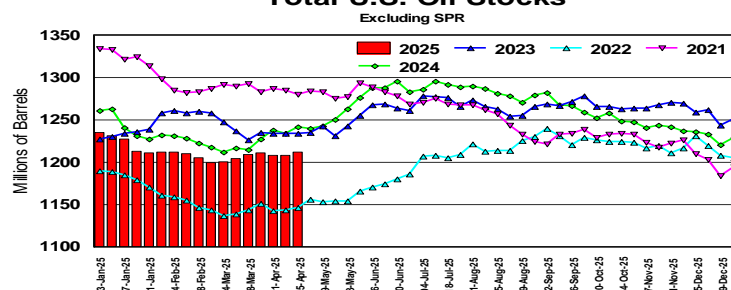
## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	2.0367	-0.0837	-0.0902
May-25	2.0018	-0.0599	-0.0791
Jun-25	1.9850	-0.0578	-0.0793
Jul-25	1.9879	-0.0568	-0.0769
Aug-25	1.9972	-0.0560	-0.0735
Sep-25	2.0063	-0.0554	-0.0712
Oct-25	2.0116	-0.0556	-0.0703
Nov-25	2.0164	-0.0540	-0.0682
Dec-25	2.0218	-0.0532	-0.0672
Jan-26	2.0202	-0.0529	-0.0672
Feb-26	2.0112	-0.0524	-0.0675
Mar-26	1.9975	-0.0518	-0.0675
Apr-26	1.9923	-0.0513	-0.0675
May-26	1.9907	-0.0509	-0.0676
Jun-26	1.9986	-0.0500	-0.0662
Jul-26	2.0079	-0.0491	-0.0642
Aug-26	2.0183	-0.0482	-0.0621

## Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$58.2100	-\$2.2100
Crude - Brent	\$63.1200	-\$1.1300
Natural Gas	\$3.3260	-\$0.0600
Gasoline	\$2.0370	-\$0.0342

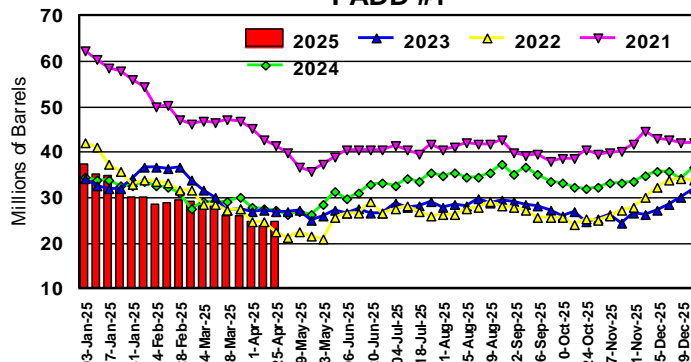
## Total U.S. Oil Stocks



## Weekly EIA Petroleum Status Report for the Week Ending April 25, 2025

### Distillate Stocks

#### PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.696 million barrels

Cushing, OK Crude Stocks Up 682,000 barrels

Gasoline Stocks Down 4.003 million barrels

Distillate Stocks Up 937,000 barrels

Refinery % Operated 88.6%, up 0.5%

#### PADD #1

Distillate Stocks (in million bbl)	Week Ending Apr. 25, 2025	Week Ending Apr. 18, 2024	Week Ending Apr. 25, 2024
New England	3.0	3.0	3.5
Central Atlantic	11.8	11.3	13.6
Total PADD #1	24.6	23.7	27.2
Distillate Imports (thousands b/d)	42	78	87