

Market Commentary

Recap: The crude market posted an outside trading day on Monday as the market remained headline driven. The market plunged early Monday after U.S. President Donald Trump said he would postpone any military strikes against Iranian power plants for five days after constructive talks, hours ahead of a deadline that threatened further escalation in the conflict now in its fourth week. In overnight trading, the oil market rallied higher, posting a high of \$101.67 after Iran's Revolutionary Guards said they would target Israel's power plants and those supplying U.S. bases in the Middle East in retaliation against any attack on its electricity sector. This followed President Donald Trump's threat to "obliterate" Iran's power plants if it did not fully reopen the Strait of Hormuz within 48 hours. However, the market erased some of its sharp gains and traded sideways before it sold off \$13.95 as it posted a low of \$84.37 early Monday morning on news that the U.S. and Iran held constructive talks over the weekend and President Trump postponed military strikes against Iran's power plants. The market later recovered some of its losses as Iran contradicted President Trump's statements and said there had been no direct or indirect talks with the U.S. However, the market remained pressured by the possibility of the U.S. striking a deal with Iran soon. The May WTI contract settled down \$10.10 at \$88.13, while May Brent contract settled down \$12.25 at \$99.94. Meanwhile, the product markets ended the session sharply lower, with the heating oil market settling down 55.24 cents at \$4.0560 and the RB market settling down 31.13 cents at \$2.9749.

Technical Analysis: The oil market will remain headline driven amid the talks between the U.S. and Iran. It will have to be seen whether there is any deal struck to end the war and reopen the Strait of Hormuz. The crude market is seen finding support at \$84.37, \$80.60, \$75.64, followed by \$73.79 and \$72.19. Meanwhile, resistance is seen at \$90.86, \$91.47, \$92.95, \$95.03, \$101.67, \$102.44 and \$113.41.

Fundamental News: U.S. Energy Secretary, Chris Wright, said global oil prices have not increased enough to cause demand destruction. The remarks come as markets have fallen into chaos as the U.S.-Israel war with Iran has led to the closure of a key trade point and damage to production infrastructure in the Middle East. He said the U.S. is "highly unlikely" to release more oil from its SPR to calm energy markets during the war with Iran.

IIR Energy said U.S. oil refiners are expected to shut in about 731,000 bpd of capacity in the week ending March 23rd, increasing available refining capacity by 94,000 bpd. Offline capacity is expected to increase to 777,000 bpd in the week ending April 3rd.

California Attorney General Rob Bonta said he has sued the U.S. Department of Energy over its decision to restart the long-disputed Sable Offshore pipeline system linking the Santa Ynez offshore platform to California refineries. Earlier this month, U.S. Secretary of Energy Chris Wright restarted the pipeline using powers granted to him under an executive order from President Donald Trump invoking the Cold War-era Defense Production Act to supersede state laws.

Saudi Aramco cut crude supply to Asian buyers for a second month in April, after the U.S. - Israeli war with Iran disrupted trade via the Strait of Hormuz. Saudi Aramco is supplying only Arab Light crude exported from the Red Sea port of Yanbu to term customers in April, keeping supplies to Asian refineries tight and capping their refined products output. Data from analytics firm Kpler showed that Saudi Arabia has exported 4.355 million bpd of crude so far in March, down from 7.108 million bpd in February.

Early Market Call - as of 8:50 AM EDT

WTI - May \$91.99, \$3.11

RBOB - Apr \$3.1017, up 11.99 cents

HO - Apr \$4.25, up 11.84 cents

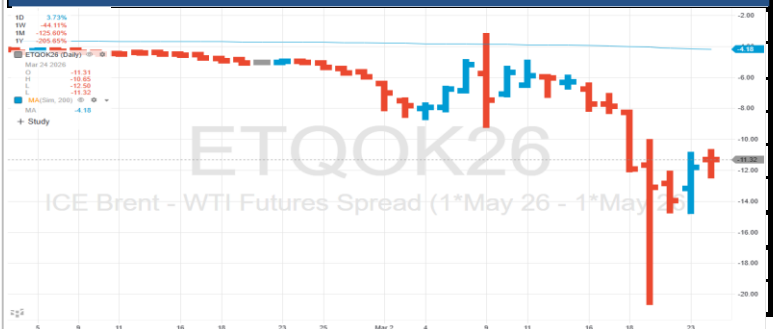
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-26	4.0560	-0.5524	0.2185
May-26	3.7532	-0.4893	0.1677
Jun-26	3.3704	-0.3897	0.1194
Jul-26	3.1998	-0.3096	0.1346
Aug-26	3.0860	-0.2592	0.1178
Sep-26	3.0119	-0.2376	0.1000
Oct-26	2.9491	-0.2271	0.0867
Nov-26	2.8804	-0.2187	0.0781
Dec-26	2.8084	-0.2119	0.0745
Jan-27	2.7643	-0.2045	0.0655
Feb-27	2.7262	-0.1970	0.0591
Mar-27	2.6765	-0.1908	0.0529
Apr-27	2.6242	-0.1829	0.0481
May-27	2.5850	-0.1788	0.0371
Jun-27	2.5556	-0.1695	0.0281
Jul-27	2.5417	-0.1661	0.0233
Aug-27	2.5317	-0.1629	0.0209

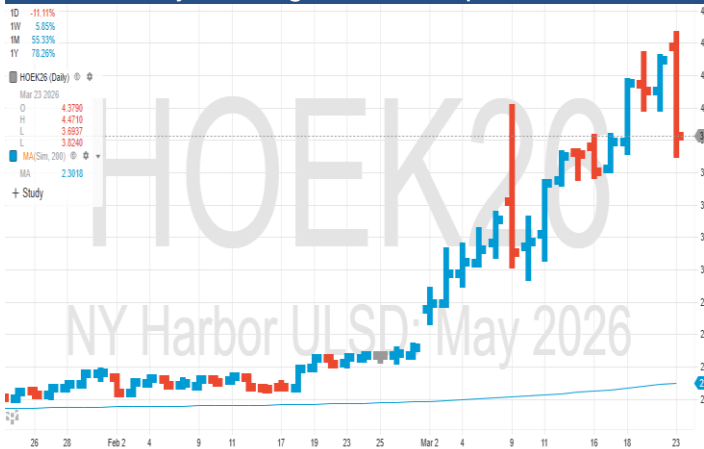
Sprague HeatCurve October 2026-April 2027 \$2.7656

	Close	Change
Crude - WTI	\$88.1300	-\$10.1000
Crude - Brent	\$99.9400	-\$12.2500
Natural Gas	\$2.8910	-\$0.2040
Gasoline	\$2.9749	-\$0.3113

ICE May Brent-WTI



May Heating Oil Crack Spread



May RBOB Crack Spread

