

Market Commentary

Recap: The oil market ended the session 1.46% lower following unconfirmed reports that Iran's President said the country was ready to end the war, assuming some guarantees were put in place. The market traded mostly sideways in overnight trading following an initial rally to a high of \$106.86 following the news that Kuwait Petroleum Corp's fully loaded crude oil tanker Al Salmi, capable of carrying up to 2 million barrels, was struck by an alleged Iranian attack at a Dubai port. However, the market was pressured by the possibility of U.S. President Donald Trump ending the war with Iran. The market gave up its gains following a report by The Wall Street Journal stating that President Trump told aides he was willing to end the military campaign against Iran even if the Strait of Hormuz remained largely shut in, leaving its reopening for a later date. The prospect of a de-escalation pushed the market lower and kept it under pressure for much of the day. However, it held its support on fears that shipping through the Strait of Hormuz would remain mostly shut in for a prolonged period of time. The crude market later sold off to a low of \$99.62 on the unconfirmed reports of Iran's readiness to end the war. The May WTI contract later settled in a sideways trading range and ended the session down \$1.50 at \$101.38, while the May Brent contract settled up \$5.57 at \$118.35. The product markets ended the session lower, with the heating oil market settling down 20.09 cents at \$4.1634 and the RB market settling down 3.92 cents at \$3.3123.

Technical Analysis: The oil market on Wednesday will remain headline driven as the market seeks confirmation of the alleged statements from the Iranian president. Late Wednesday, President Trump also stated that the military operation could end in two to three weeks, even if there was no deal signed with Iran as long as Iran is left without the ability to soon acquire a nuclear weapon. The market will look for further direction from President Trump's scheduled address on Iran on Wednesday evening. The crude market is seen finding support at \$99.62, \$99.43, \$93.22, \$92.08, \$89.51, \$86.46, \$84.37, \$80.60, and \$75.64. Meanwhile, resistance is seen at \$106.86, \$113.41, \$119.48 and \$123.68.

Fundamental News: According to GasBuddy, the U.S. national average retail price of gasoline crossed \$4/gallon for the first time in more than three years on Monday. The \$4 per gallon milestone was last reached in August 2022 following Russia's invasion of Ukraine and represents what some analysts have called a psychological barrier for consumers. U.S. national average retail gasoline prices have increased about \$1.06/gallon or 36%, since the U.S. and Israel attacked Iran at the end of February.

The EIA reported that U.S. crude oil output fell the most in two years during January following a severe winter storm that shut in production in large areas of the country. U.S. crude oil output fell 410,000 bpd on the month in January to 13.25 million bpd, the lowest level since February 2025.

Bloomberg reported that the number of vessels transiting Hormuz with their signals on is increasing, even as the waterway remains effectively closed to most commercial shipping without clearance from Iran. According to Bloomberg-compiled tracking data, weekly two-way transits increased to an average of seven vessels through Monday, up from five the previous week. While still a fraction of normal traffic, the increase suggests a small, selective fleet is continuing to pass through. The latest data show that at least six ships, mostly linked to China and Iran, were seen exiting the Persian Gulf between Monday and early Tuesday. Inbound traffic over the same period was limited to a handful of fuel tankers and bulk carriers, most of them also tied to the two countries.

Early Market Call - as of 8:45 AM EDT

WTI - Apr \$99.52, down \$2.04
 RBOB - Apr \$3.1275, down 6.25 cents
 HO - Apr \$4.0964, up 2.28 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-26	\$4.1634	-\$0.2009	-\$0.1275
May-26	\$4.1138	-\$0.0919	\$0.1005
Jun-26	\$3.7409	-\$0.0683	\$0.1477
Jul-26	\$3.4536	-\$0.0982	\$0.0713
Aug-26	\$3.2763	-\$0.1100	\$0.0267
Sep-26	\$3.1662	-\$0.1113	\$0.0016
Oct-26	\$3.0763	-\$0.1122	-\$0.0193
Nov-26	\$2.9855	-\$0.1118	-\$0.0376
Dec-26	\$2.8964	-\$0.1095	-\$0.0526
Jan-27	\$2.8445	-\$0.1052	-\$0.0589
Feb-27	\$2.8004	-\$0.0996	-\$0.0622
Mar-27	\$2.7459	-\$0.0939	-\$0.0637
Apr-27	\$2.6872	-\$0.0890	-\$0.0659
May-27	\$2.6411	-\$0.0851	-\$0.0691
Jun-27	\$2.6025	-\$0.0835	-\$0.0735
Jul-27	\$2.5807	-\$0.0814	-\$0.0773
Aug-27	\$2.5642	-\$0.0791	-\$0.0798

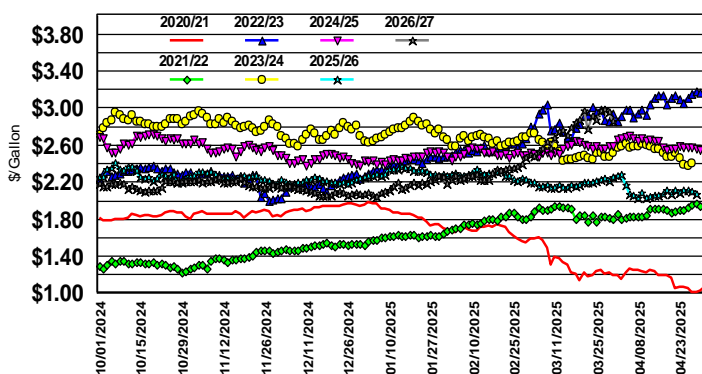
Sprague HeatCurve October 2026-April 2027		\$2.8491
	Close	Change
Crude - WTI	\$101.3800	-\$1.5000
Crude - Brent	\$118.3500	\$5.5700
Natural Gas	\$2.8840	-\$0.0030
Gasoline	\$3.3123	-\$0.0392

API Report for the Week Ending March 27, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 10.26 million barrels	Up 800,000 barrels
Gasoline Stocks	Down 3.21 million barrels	Down 1.9 million barrels
Distillate Stocks	Down 1.04 million barrels	Down 600,000 barrels
Refinery Runs		Up 0.6%, at 93.5%

Sprague HeatCurve

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve

