

Market Commentary

Recap: The oil market on Thursday surged higher as hopes for swift end to the U.S.-Israeli war on Iran faded after U.S. President Donald Trump said the U.S. would continue more aggressive strikes on Iran. President Trump's statement of military operations intensifying without offering a timeline for ending hostilities against Iran increased the market's concerns of prolonged disruptions to crude supplies from the Middle East. He said the U.S. would achieve its military objectives soon but suggested the war could escalate if Iranian leaders did not give in to Washington's terms during negotiations, with strikes on Iran's energy and oil infrastructure possible. In response, Iran's armed forces warned the U.S. and Israel of "more crushing, broader and more destructive" attacks. The crude market posted a low of \$97.50 as the market traded sideways ahead of President Trump's address to the nation on Wednesday evening. However, the market quickly rallied higher as he failed to give a timeline on the ending the war and gave no details on any steps that could lead to the reopening of the Strait of Hormuz. The market extended its gains to \$13.85 as it rallied to a high of \$113.97 by mid-morning. The market later erased more than 38% of its earlier move from its low of \$97.50 to its high of \$113.97 and settled in a sideways trading range during the remainder of the session. The May WTI contract settled up \$11.42 at \$111.54 and the June Brent contract settled up \$7.87 at \$109.03. The product markets ended the session sharply higher, with the heating oil market settling up \$7.16 cents at \$4.3611 and the RB market settling up \$19.66 cents at \$3.288.

Technical Analysis: The crude market, which closed for the Good Friday holiday, reopened on Sunday evening and will remain driven by the headlines seen over the long Easter weekend. The market is seen remaining well supported by the expectations that the strikes on Iran will intensify given Iran's continued defiance and the U.S. military's continued build up in the Middle East. With no end in sight to the military operation, oil supplies out of the Middle East will remain lower, with the region potentially seeing further supply shut ins. The crude market is seen finding resistance at \$113.97, \$119.48 and \$123.68. Meanwhile, support is seen at \$106.62, \$105.73, \$103.79, \$97.50, \$96.50, \$95.60, \$92.08, \$86.46, \$86.34 and \$84.37.

Fundamental News: Market experts said U.S. President Donald Trump's address to the nation, in which he vowed more aggressive strikes on Iran, has put consumers on course for record fuel prices at the pumps just ahead of the country's peak summer travel season. U.S. average retail gasoline prices are now set to increase to between \$4.25 and \$4.45/gallon by next week after surpassing the \$4/gallon level for the first time since 2022 at the start of this week. Analyst said if there is no viable plan to reopen the Strait of Hormuz, the U.S. average price of gasoline will likely cross \$5/gallon and hit record levels within a month. Meanwhile, the national average retail diesel price is set to increase from \$5.47/gallon on Thursday to between \$5.80 and over \$6/gallon within the next two weeks.

Colonial Pipeline said it has completed repairs on Line 1, the main gasoline route from the U.S. Gulf Coast to East Coast markets, and restored service after third-party damage in Paulding County, Georgia. The pipeline was damaged by a third-party well-drilling crew on Tuesday.

Baker Hughes reported that U.S. energy firms this week added to the number of oil and natural gas rigs operating for the first time in three weeks. The oil and gas rig count increased by five to 548 in the week ending April 2nd.

Bloomberg reported that while crude surpassed the \$100/barrel level, ICE Gasoil increased to as high as \$1,509.50/ton on Thursday, the equivalent of \$202.30/barrel. It is at the highest level since 2022 and whether prices fall or keep rising largely depends on the reopening of the Strait of Hormuz. Bloomberg reported that despite increasing prices and some gas stations already running dry, traders are not directing every available cargo of fuel towards Europe. Bloomberg reported that the Iran war is creating a global scramble for diesel.

Early Market Call - as of 8:05 AM EDT

WTI - May \$110.43, down \$1.63

RBOB - Apr \$3.2717, down 82 points

HO - Apr \$4.3959, down 3.56 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-26	4.3611	0.3043	0.2841
Jun-26	3.9761	0.2609	0.2563
Jul-26	3.5727	0.1471	0.0775
Aug-26	3.3386	0.0933	-0.0143
Sep-26	3.2114	0.0721	-0.0477
Oct-26	3.1071	0.0541	-0.0747
Nov-26	3.0069	0.0427	-0.0953
Dec-26	2.9147	0.0392	-0.1072
Jan-27	2.8611	0.0338	-0.1103
Feb-27	2.8131	0.0281	-0.1130
Mar-27	2.7548	0.0229	-0.1137
Apr-27	2.6894	0.0166	-0.1175
May-27	2.6411	0.0134	-0.1167
Jun-27	2.6023	0.0106	-0.1128
Jul-27	2.5805	0.0082	-0.1134
Aug-27	2.5621	0.0056	-0.1153
Sep-27	2.5490	0.0047	-0.1152

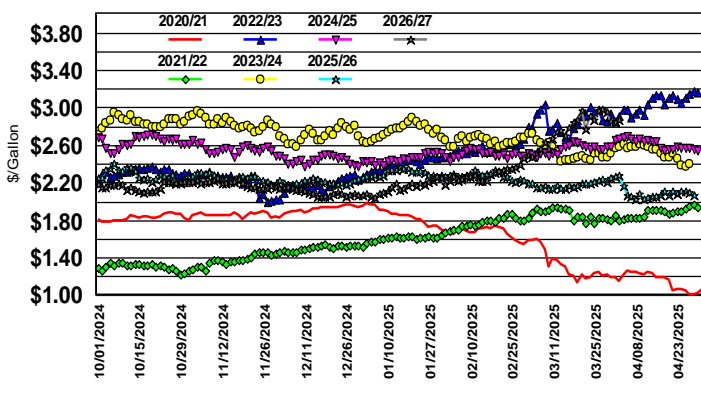
Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	Jun Brent-WTI Spread \$10.99	\$98.0400	\$7.1600
Crude - Brent		\$109.0300	\$7.8700
Natural Gas		\$2.8000	-\$0.0190
Gasoline		\$3.2880	\$0.1966

EIA Working Gas Storage Report

	27-Mar-26	20-Mar-26	Change	27-Mar-25
East	270	271	-1	286
Midwest	350	351	-1	364
Mountain	208	204	4	165
Pacific	258	257	1	201
South Central	779	745	34	753
Salt	214	197	17	216
Nonsalt	565	549	16	538
Total	1865	1829	36	1,769

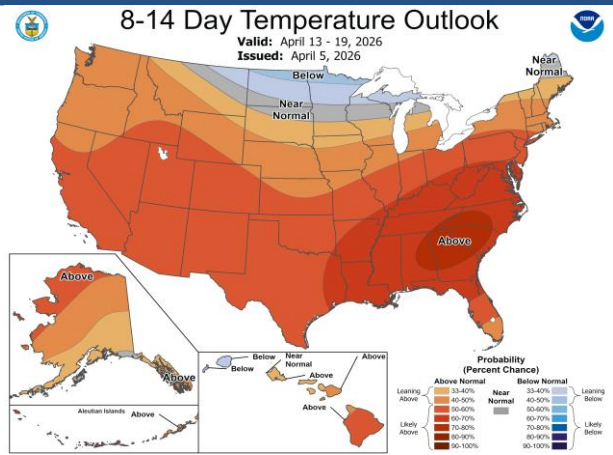
Sprague HeatCurve

Sprague HeatCurve October-April



Weather Forecast

8-14 Day Temperature Outlook



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