

## Market Commentary

**Recap:** The oil market posted an inside trading day on Thursday, rebounding from Wednesday's 16% decline as supply risks remain high. The market was well supported by doubts over the fragile two-week ceasefire agreed to by the U.S., Israel and Iran, raising concerns that oil supplies through the Strait of Hormuz will remain restricted. Israel's continuing strikes in Lebanon has put the ceasefire in jeopardy, with Iran stating that the Israeli strikes on Lebanon violate the ceasefire and adding that it would be unreasonable to move forward with talks to forge a permanent peace deal. Also, the U.S. and Iran appear to be at odds over Iran's nuclear program ahead of scheduled talks on Saturday, with President Donald Trump stating that Iran had agreed to stop enriching uranium and Iran's Parliament Speaker stating that Iran was allowed to continue enriching uranium under the terms of the ceasefire. The crude market gradually retraced some of its previous losses posted on Wednesday and posted a high of \$102.70 by mid-morning. However, the market gave up its gains and sold off to a low of \$95.25 on news that Israel planned to start peace talks with Lebanon as soon as possible. The May WTI contract ended the session up \$3.46 at \$97.87 and the June Brent contract settled up \$1.17 at \$95.92. The product markets ended the session in mixed territory, with the heating oil market settling up 12.86 cents at \$3.9370 and the RB market settling down 52 points at \$3.0007.

**Technical Analysis:** The crude market will continue to trade in its recent trading range as it awaits further developments on the ceasefire deal agreed to by the U.S. and Iran earlier this week. The market remains concerned as the Strait of Hormuz remains mostly shut in ahead of talks scheduled for Saturday. The market is in a wait and see mode amid the fragile ceasefire, with President Trump threatening to resume its military operations unless Iran fully complies with the ceasefire deal. The market will also hold its support amid the news of Saudi Arabia cut its output at several energy facilities and flow through the East-West Pipeline due to recent attacks. The oil market is seen finding support at \$96.25, \$91.05, \$89.51, \$86.46, \$86.34 and \$84.37. Meanwhile, resistance is seen at \$102.70, \$104.34, \$107.48, \$109.19-\$109.20 and \$117.63.

**Fundamental News:** Goldman Sachs cut its second-quarter 2026 forecasts for Brent and U.S. crude to \$90/barrel and \$87/barrel, respectively, after the U.S. and Iran agreed on a two-week ceasefire. Previously, the bank forecast Brent and WTI oil prices to average \$99/barrel and \$91/barrel, respectively.

Meanwhile, ANZ said that oil supply disruptions have materially tightened the global crude balance, shifting the market rapidly from early-year surplus to a sizeable deficit. It said it sees a credible risk that 1-2 million bpd of capacity may be permanently lost or limited, particularly from mature fields, constrained export systems and producers facing persistent sanctions or financial challenges. ANZ said the market is likely to require sustained prices above \$100/barrel to ration demand and prompt stock drawdowns, if recovery stalls at this week's level, leaving deficits above 4-5 million bpd.

Barclays said that a swift normalization of flows through the Strait of Hormuz aligns with its forecast of Brent crude oil averaging \$85/barrel in 2026, but warned that delays in restoring traffic or any further escalation could push prices higher from current levels.

Saudi state news agency SPA reported that operational activities have been halted at several energy facilities in Saudi Arabia due to recent attacks. It reported that attacks on Saudi energy facilities have cut the kingdom's oil production capacity by around 600,000 bpd and throughput on its East-West Pipeline by about 700,000 bpd.

**Early Market Call - as of 8:45 AM EDT**

WTI - May \$97.62, down 36 cents  
 RBOB - May \$3.0076, down 1.35 cents  
 HO - May \$3.8736, down 7.02 cents

## All NYMEX | Prior Settlements

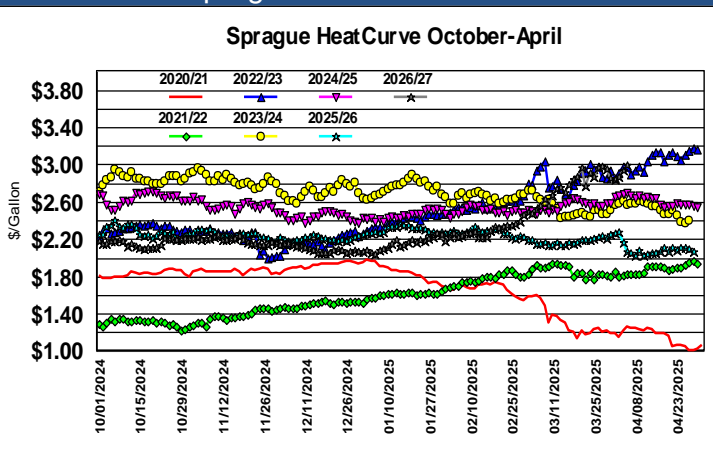
	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	3.9370	0.1286	-0.4241
Jun-26	3.6970	0.1128	-0.2791
Jul-26	3.5187	0.1090	-0.0540
Aug-26	3.3821	0.0953	0.0435
Sep-26	3.2781	0.0786	0.0667
Oct-26	3.1859	0.0628	0.0788
Nov-26	3.0930	0.0501	0.0861
Dec-26	3.0034	0.0389	0.0887
Jan-27	2.9525	0.0352	0.0914
Feb-27	2.9084	0.0345	0.0953
Mar-27	2.8534	0.0345	0.0986
Apr-27	2.7915	0.0334	0.1021
May-27	2.7463	0.0318	0.1052
Jun-27	2.7106	0.0292	0.1083
Jul-27	2.6919	0.0266	0.1114
Aug-27	2.6766	0.0246	0.1145
Sep-27	2.6639	0.0230	0.1149

Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	June Brent- WTI Spread \$5.99	\$89.9300	\$2.1800
Crude - Brent		\$95.9200	\$1.1700
Natural Gas		\$2.6700	-\$0.0540
Gasoline		\$3.0007	-\$0.0052

## EIA Working Gas Storage Report

	03-Apr-26	27-Mar-26	Change	03-Apr-25
East	277	270	7	294
Midwest	358	350	8	372
Mountain	208	208	0	165
Pacific	261	258	3	205
South Central	807	775	32	785
Salt	226	210	16	231
Nonsalt	581	565	16	555
Total	1911	1861	50	1,822

## Sprague HeatCurve



## May WTI



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