

## Market Commentary

**Recap:** The oil market posted an inside trading day once again on Friday as the market weighed the U.S.-Iran talks scheduled for Saturday against concerns over the continuing limited oil supply flowing through the Strait of Hormuz following the ceasefire agreement between the U.S. and Iran. Traffic through the Strait of Hormuz remained at less than 10% of normal volumes, with the majority of ships sailing through the waterway over the past day were linked to Iran. The market was also supported by concerns over Saudi Arabia's oil output as attacks on its infrastructure have forced the country to cut its output by 600,000 bpd and cut flows through its East-West Pipeline by about 700,000 bpd. The crude market traded to a high of \$100.42 in overnight trading before it erased its gains and traded sideways for much of the day, as the market remained cautious, weighing the diplomatic process against concerns over Middle East supplies. The market later sold off \$96.02 ahead of the close as traders positioned themselves ahead of the scheduled meeting on Saturday as the U.S. and Iran seek a permanent ceasefire deal. The May WTI contract settled down \$1.30 at \$96.57 and continued to trend lower in the post settlement period, posting a new low of \$95.52. The June Brent contract settled down 72 cents \$95.20. The product markets ended the session in mixed territory once again, with the heating oil market settling down 17.54 cents at \$3.7616 and the RB market settling up 3.66 cents at \$3.0373.

**Technical Analysis:** The crude market on Monday will be driven the latest developments on the U.S.-Iran ceasefire, with the two countries scheduled to meet on Saturday in Pakistan in an attempt to forge a final peace agreement. It will have to be seen whether the two sides are able to come to an agreement given the fragile ceasefire agreement so far. Also, Iran said Friday afternoon the talks with the U.S. will begin if preconditions are accepted. The crude market is seen finding support at \$95.52, \$95.25, \$91.05, \$89.51, \$86.46, \$86.34 and \$84.37. Meanwhile, resistance is seen at \$100.42, \$101.20, \$102.70, \$104.34, \$107.48, \$109.19 - \$109.20 and \$117.63.

**Fundamental News:** The U.S. Department of Energy said it had loaned 8.48 million barrels of crude oil from the Strategic Petroleum Reserve to four oil companies, the second allotment under the Trump administration's effort to lower fuel prices that have surged during the U.S. - Israeli war on Iran. The companies that have been awarded SPR loans are Gunvor USA, Phillips 66 Company, Trafigura Trading and Macquarie Commodities Trading. The U.S. had offered on April 1<sup>st</sup> to loan up to 10 million barrels in the second batch. Ultimately, the U.S. aims to lend 172 million barrels from the SPR for delivery throughout this year and into 2027.

According to sources, President Donald Trump's administration is likely to extend as soon as Friday a waiver allowing countries to buy sanctioned Russian oil and petroleum products, part of efforts to control global energy prices since the U.S. - Israeli war on Iran. The U.S. Treasury Department has allowed purchases of some Russian oil since mid-March through a 30-day sanctions waiver that expires on April 11<sup>th</sup>.

Tropical Storm Risk predicts that North Atlantic hurricane activity in 2026 will see activity 40% below the 1991-2020 30-year norm. It forecast 12 tropical storms, 5 hurricanes, with 1 intense hurricane. The primary factor influencing the lowering of the TSR April forecast for 2026 North Atlantic hurricane activity to be around 40% below the 1991-2020 climatology is the anticipated moderate or strong El Nino conditions through summer and autumn 2026.

Japan's weather bureau said there was a 70% chance that the El Nino phenomenon would emerge in the northern hemisphere summer.

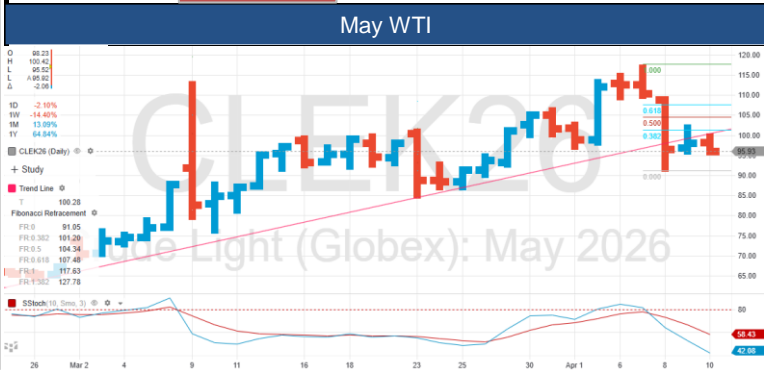
**Early Market Call - as of 8:50 AM EDT**

**WTI - May \$103.47, up \$7.84**  
**RBOB - May \$3.1562, up 13.65 cents**  
**HO - May \$4.0667, up 32.42 cents**

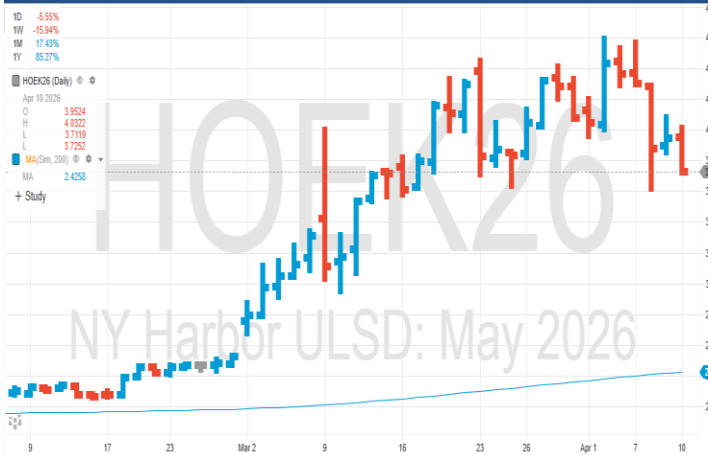
## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	3.7616	-0.1754	-0.5668
Jun-26	3.5722	-0.1248	-0.3980
Jul-26	3.4372	-0.0815	-0.1688
Aug-26	3.3343	-0.0478	-0.0617
Sep-26	3.2504	-0.0277	-0.0286
Oct-26	3.1715	-0.0144	-0.0094
Nov-26	3.0900	-0.0030	0.0057
Dec-26	3.0095	0.0061	0.0145
Jan-27	2.9627	0.0102	0.0224
Feb-27	2.9190	0.0106	0.0272
Mar-27	2.8635	0.0101	0.0308
Apr-27	2.8025	0.0110	0.0359
May-27	2.7585	0.0122	0.0411
Jun-27	2.7245	0.0139	0.0486
Jul-27	2.7059	0.0140	0.0522
Aug-27	2.6907	0.0141	0.0567
Sep-27	2.6777	0.0138	0.0586

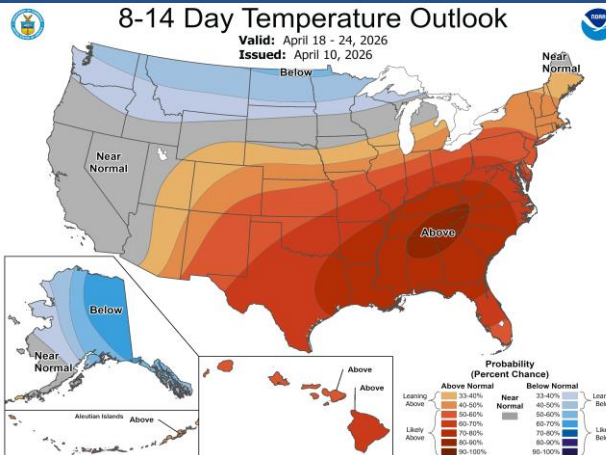
Sprague HeatCurve October 2026-April 2027		\$2.9629
	Close	Change
Crude - WTI	\$89.5800	-\$0.3500
Crude - Brent	\$95.2000	-\$0.7200
Natural Gas	\$2.6480	-\$0.0220
Gasoline	\$3.0373	\$0.0366



## May Heating Oil



## Weather Outlook



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