

Market Commentary

Recap: The oil market rallied back over the \$100 level on Monday but gave up its sharp gains by the end of the day. The market was well supported as the U.S. began a naval blockade of Iranian ports on Monday morning after Washington and Tehran failed on Saturday to reach a deal to end the war. Meanwhile, Iran threatened retaliation against Gulf infrastructure and warned U.S. military vessels near the Strait of Hormuz would be considered in breach of the ceasefire, escalating concerns that the truce may not hold through its remaining nine days. The crude market gapped higher from \$100.42 to \$102.00 and rallied to a high of \$105.63 in overnight trading. The market later erased some of its gains and settled in a sideways trading range in overnight trading before it sold off further in afternoon trading after President Trump said Iran wanted to make a deal and a U.S. official said there was continued engagement between the U.S. and Iran and forward motion on trying to get an agreement. Also, the head of the IEA, Fatih Birol, said he hopes another oil stockpile release is not needed but added that the IEA was ready to tap oil reserves, if needed. The crude market erased all of its overnight gains and posted a low of \$97.03 ahead of the close. The May WTI contract ended the session up \$2.51 at \$99.08 and the June Brent contract ended the day up \$4.16 at \$99.36. The product markets settled higher, with the heating oil market settling up 7.25 cents at \$3.8341 and the RB market settling up 7.87 cents at \$3.1160.

Technical Analysis: The crude market will remain headline driven as the market awaits further developments on the continuing engagement between the U.S. and Iran. It will have to be seen whether the fragile ceasefire continues to hold as Iran threatened to retaliate against the U.S. over its blockade of the Strait of Hormuz. The oil market is seen finding support at \$97.03, \$95.51, \$91.05, \$89.51, \$86.46, \$86.34 and \$84.37. Meanwhile, resistance is seen at \$105.63, \$107.48, \$109.19-\$109.20 and \$117.63.

Fundamental News: The Wall Street Journal reported on Sunday that U.S. President Donald Trump and his advisers are looking at resuming limited military strikes in Iran in addition to the U.S. blockade of the Strait of Hormuz as a way to break a stalemate in peace talks.

On Sunday, U.S. President Donald Trump said that the price of oil and gasoline may remain high through November's midterm elections. According to data from GasBuddy, the average price for regular gas at U.S. service stations has exceeded \$4/gallon for most of April.

OPEC lowered its forecast for world oil demand in the second quarter by 500,000 bpd, citing the impact of the war in the Middle East. OPEC's report said global oil demand is projected to average 105.07 million bpd in the second quarter, down from the 105.57 million bpd forecast in last month's report. However, this weakness is expected to be offset in the second half of the year. OPEC also said that for the full year, global demand growth is unchanged from its previous estimate of 1.38 million bpd. OPEC said OPEC+ crude output averaged 35.06 million bpd in March, down 7.7 million bpd on the month as the Iran war prompted Middle East members to cut their output.

UBS raised its Brent oil price forecasts for the remaining quarters of 2026 and first quarter of 2027 as flows through the Strait of Hormuz continue to be restricted. It raised its Brent forecast to \$100/barrel by the end of June 2026, \$95/barrel by the end of September and \$90/barrel by the end of December. It also expects Brent to trade at \$85/barrel by the end of March 2027.

IIR Energy said U.S. oil refiners are expected to shut in about 818,000 bpd of capacity in the week ending April 17th, decreasing available refining capacity by 29,000 bpd from the previous week. Offline capacity is expected to fall to 513,000 bpd in the week through April 24th.

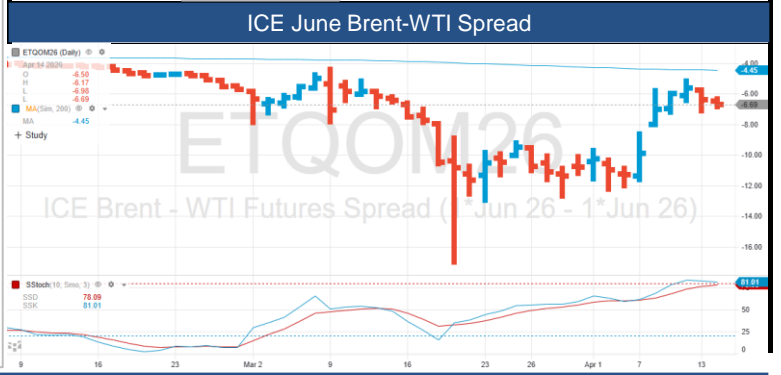
Early Market Call - as of 8:40 AM EDT

- WTI - May \$96.96, down \$2.03
- RBOB - May \$3.0755, down 7 points
- HO - May \$3.7892, up 20 points

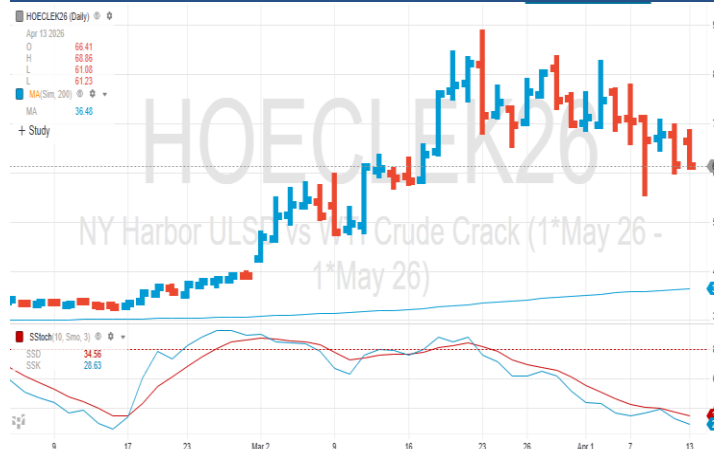
All NYMEX | Prior Settlements

| | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| May-26 | 3.8341 | 0.0725 | -0.6433 |
| Jun-26 | 3.6553 | 0.0831 | -0.4418 |
| Jul-26 | 3.5150 | 0.0778 | -0.2320 |
| Aug-26 | 3.4048 | 0.0705 | -0.1129 |
| Sep-26 | 3.3143 | 0.0639 | -0.0635 |
| Oct-26 | 3.2303 | 0.0588 | -0.0346 |
| Nov-26 | 3.1440 | 0.0540 | -0.0097 |
| Dec-26 | 3.0593 | 0.0498 | 0.0100 |
| Jan-27 | 3.0102 | 0.0475 | 0.0218 |
| Feb-27 | 2.9642 | 0.0452 | 0.0278 |
| Mar-27 | 2.9066 | 0.0431 | 0.0318 |
| Apr-27 | 2.8431 | 0.0406 | 0.0363 |
| May-27 | 2.7966 | 0.0381 | 0.0391 |
| Jun-27 | 2.7585 | 0.0340 | 0.0424 |
| Jul-27 | 2.7370 | 0.0311 | 0.0436 |
| Aug-27 | 2.7185 | 0.0278 | 0.0451 |
| Sep-27 | 2.7024 | 0.0247 | 0.0446 |

| Sprague HeatCurve October 2026-April 2027 | | \$3.0107 |
|---|-----------|-----------|
| | Close | Change |
| Crude - WTI | \$92.9500 | \$3.3700 |
| Crude - Brent | \$99.6600 | \$4.1600 |
| Natural Gas | \$2.6270 | -\$0.0210 |
| Gasoline | \$3.1160 | \$0.0787 |



May Heating Oil Crack Spread



May RBOB Crack Spread

