

Market Commentary

Recap: The crude market traded higher on a lack of progress in Iran peace talks and as shipping on the Strait of Hormuz remains restricted. U.S. President Donald Trump on Thursday said the U.S. had total control over the Strait of Hormuz, with the U.S. maintaining its naval blockade of the waterway, while Iran seized two ships in the waterway on Wednesday as it remains defiant. The oil market quickly spiked higher in overnight trading to \$97.22 before it just as quickly gave up some of its sharp gains. It traded to a low of \$92.30 in early morning trading and settled in a sideways trading range for much of the session amid the stalled peace talks. The market later extended its gains to over \$5.40 as it rallied to a high of \$98.39 amid the news that air defense systems were heard engaging in parts of Tehran and reports that air defense batteries had been activated in the city. There was also reports of a power struggle in between Iran hardliners and moderates amid the resignation of Iran's top negotiator, Mohammad Baqer Qalibaf. It later gave up some of its gains ahead of the close. The June WTI contract settled up \$2.89 at \$95.85 and the June Brent contract settled up \$3.16 at \$105.07. The product markets also settled higher, with the heating oil market settling up 5.03 cents at \$3.9882 and the RB market settling up 10.42 cents at \$3.4621.

Technical Analysis: The crude market will remain headline driven. Concerns of the ceasefire collapsing amid the reports of the air attacks in Iran and the continuing standoff in the Strait of Hormuz will continue to support the market. The oil market is seen finding support at \$92.30, \$87.64, \$85.50, \$85.45 followed by \$78.97, \$73.56, \$72.69 and \$71.95. Meanwhile, resistance is seen at \$98.39, \$101.17, \$104.34. \$109.17, \$117.63 and \$119.48.

Fundamental News: Bloomberg reported that U.S. forces boarded a supertanker carrying Iranian oil in the Indian Ocean as the navy steps up its blockade of the Iran's shipping. The Pentagon said the overnight maneuver involved the sanctioned vessel Majestic X. The ship is also known as the Phoenix, a Very Large Crude Carrier able to transport 2 million barrels of oil, and industry databases show it sailing under a false flag. In addition to turning back freighters that are attempting to leave the Persian Gulf, the U.S. is blocking and boarding carriers thousands of miles from Iranian waters. At the same time, though, Iran continues to block almost all shipping through the Strait of Hormuz, affecting oil supply to the global market and jeopardizing global economic growth. Tehran continues to keep Hormuz effectively closed, preventing the passage of hundreds of millions of barrels of oil and fuel as well as other commercial traffic. As of Thursday morning, only one Iran-linked bulk carrier was observed making the transit out of the Persian Gulf, according to vessel-tracking data compiled by Bloomberg.

S&P Global Energy has reduced its global oil demand forecast for 2026 by 700,000 bpd as the U.S.-Iran war disrupts energy supplies from the Middle East and hits demand in the second quarter. S&P Global Energy consultant, Ethan Ng, said global oil demand growth is expected to fall to 400,000 bpd versus pre-war forecast of 1.1 million bpd.

According to the latest energy survey from the Federal Reserve Bank of Dallas, U.S. shale executives are frustrated with the "chaos" in oil markets that has come from the Middle East conflict. U.S. oil executives expect domestic production to increase as the ongoing war in Iran upends global supplies and pushes crude and fuel prices higher. A total of 43% of survey respondents expect U.S. crude production to increase by up to 250,000 bpd this year as a result of the Iran war. About two-thirds of respondents think at least 90% of Gulf production that has been shut in will return to market eventually. When asked when traffic through the Strait of Hormuz will return to normal levels, 20% said by next month, 39% said August, while the remaining respondents said either by November or later.

Bloomberg News reported that global trading houses sold about 4 million barrels of crude from the U.S. SPR to European refiners.

Early Market Call - as of 8:35 AM EDT

WTI - June \$95.33, down \$1.67
 RBOB - May \$3.4222, down 5.56 cents
 HO - May \$3.9794, down 3.36 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	3.9882	0.0503	0.1553
Jun-26	3.8677	0.0516	0.2215
Jul-26	3.6756	0.0462	0.1972
Aug-26	3.5135	0.0382	0.1505
Sep-26	3.3988	0.0372	0.1189
Oct-26	3.3006	0.0384	0.0954
Nov-26	3.2002	0.0384	0.0750
Dec-26	3.1018	0.0381	0.0581
Jan-27	3.0416	0.0370	0.0480
Feb-27	2.9861	0.0356	0.0409
Mar-27	2.9223	0.0339	0.0354
Apr-27	2.8531	0.0324	0.0287
May-27	2.8018	0.0317	0.0223
Jun-27	2.7620	0.0318	0.0183
Jul-27	2.7411	0.0331	0.0168
Aug-27	2.7225	0.0340	0.0153
Sep-27	2.7060	0.0345	0.0137

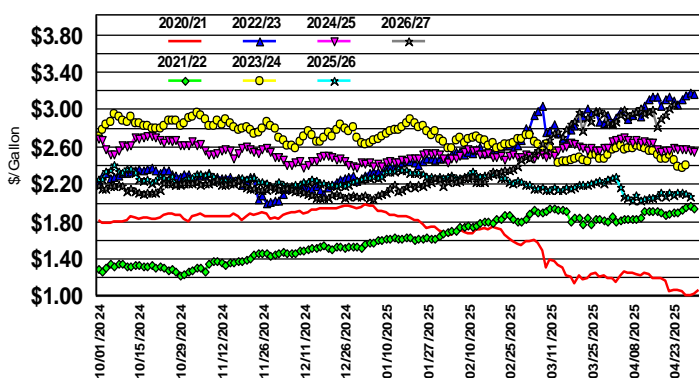
Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	June Brent- WTI Spread \$9.22	\$95.8500	\$2.8900
Crude - Brent		\$105.0700	\$3.1600
Natural Gas		\$2.6140	-\$0.1080
Gasoline		\$3.4621	\$0.1042

EIA Working Gas Storage Report

	17-Apr-26	10-Apr-26	Change	17-Apr-25
East	309	283	26	294
Midwest	404	371	33	393
Mountain	202	200	2	170
Pacific	269	267	2	220
South Central	879	839	40	844
Salt	263	243	20	263
Nonsalt	616	596	20	582
Total	2063	1960	103	1,921

Sprague HeatCurve

Sprague HeatCurve October-April



June WTI

