

## Market Commentary

**Recap:** The oil market posted an inside trading day on Friday and ended lower on renewed expectations of the U.S. and Iran continuing their peace talks. The market traded lower after a Pakistani government source said Iranian Foreign Minister Abbas Araqchi was expected to arrive in Islamabad on Friday night raising hopes for a resumption of peace talks. In overnight trading, the crude market traded towards the higher end of Thursday's trading range as it remained supported by concerns of a renewed military escalation in the Middle East after Iran boarded a cargo ship in the Strait of Hormuz and the lack of progress in reopening the waterway. The market posted a high of \$97.85 before it gave up some of its gains and traded to \$93.63 amid the news of Iran's Foreign Minister traveling to Pakistan to discuss proposals for restarting peace talks. The market later sold off further to a low of \$92.68 on news that U.S. President Donald Trump was sending special envoy Steve Witkoff and Jared Kushner to Pakistan for talks with Iran's Foreign Minister. The June WTI contract ended the session down \$1.45 at \$94.40, while the June Brent contract settled up 26 cents at \$105.33. The product markets ended the session in mixed territory, with the heating oil market settling down 10.08 cents at \$3.8847 and the RB market settling up 5 points at \$3.4626.

**Technical Analysis:** The crude market will look to the developments seen over the weekend, as President Donald Trump stated that Iran planned to make an offer aimed at meeting U.S. demands. Iran's Foreign Minister was expected in Pakistan on Friday, while U.S. special envoys Steve Witkoff and Jared Kushner are expected to travel there on Saturday. The market will wait to see whether peace talks resume over the weekend. The oil market is seen finding support at \$92.68, \$92.30, \$90.97, \$88.68, \$87.64, \$86.39, \$85.50, \$85.45 and \$78.97. Meanwhile, resistance is seen at \$97.85, \$98.39, \$101.17, \$104.34, \$109.17, \$117.63 and \$119.48.

**Fundamental News:** Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for the first time in three weeks. It reported that the oil and gas rig count increased by one to 544 in the week ending April 24<sup>th</sup>, its highest level since mid-April. Baker Hughes said oil rigs fell by three to 407 this week, their lowest level since February, while gas rigs increased by four to 129, their highest level since early April, and other miscellaneous rigs held steady at eight.

Goldman Sachs said Gulf oil production is likely to mostly recover within a few months after the Strait of Hormuz fully reopens, but added that it could take significantly longer. The bank estimated about 14.5 million bpd of Gulf crude output, around 57% of pre-war supply, was offline in April, largely due to precautionary shutdowns and stock management rather than physical damage to oilfields. Goldman Sachs said in a research note that a safe and sustained reopening of the strait in the absence of renewed attacks on oil infrastructure would allow production to return relatively quickly, supported by spare capacity in Saudi Arabia and the United Arab Emirates. However, any recovery will be constrained by logistics and well performance. Available empty tanker capacity in the Gulf has declined by about 130 million barrels or 50%, limiting how quickly producers can move oil once exports resume. The bank said prolonged well shut-ins also risk reducing flow rates, particularly in lower-pressure reservoirs, requiring workovers before output can be fully restored. The longer production remains curtailed, the slower the recovery is likely to be. It said an average of forecasts from external agencies suggests Gulf producers could recover about 70% of lost output within three months and around 88% within six months, while cautioning that a prolonged closure raises the risk of lasting damage to supply.

IIR Energy said U.S. oil refiners' capacity is expected to increase by 69,000 bpd in the week ending April 24<sup>th</sup> from the previous week, pushing their total offline refining capacity down to 1.23 million bpd. Offline capacity is expected to fall to 799,000 bpd in the week ending May 1<sup>st</sup>.

**Early Market Call - as of 8:30 AM EDT**

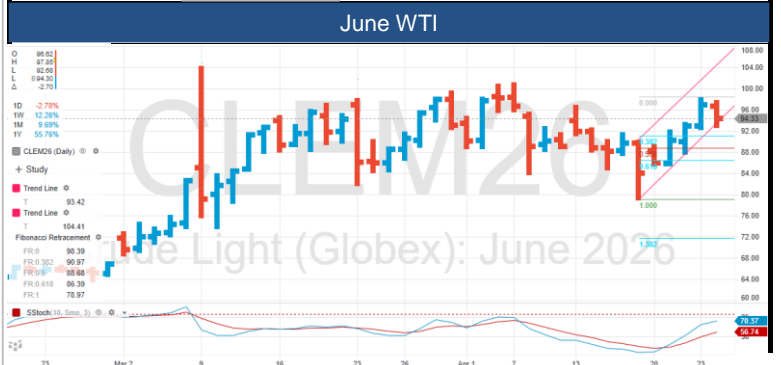
**WTI - June \$95.66, up 78 cents**  
**RBOB - May \$3.4640, down 1.53 cents**  
**HO - May \$3.9993, up 4.75 cents**

## All NYMEX | Prior Settlements

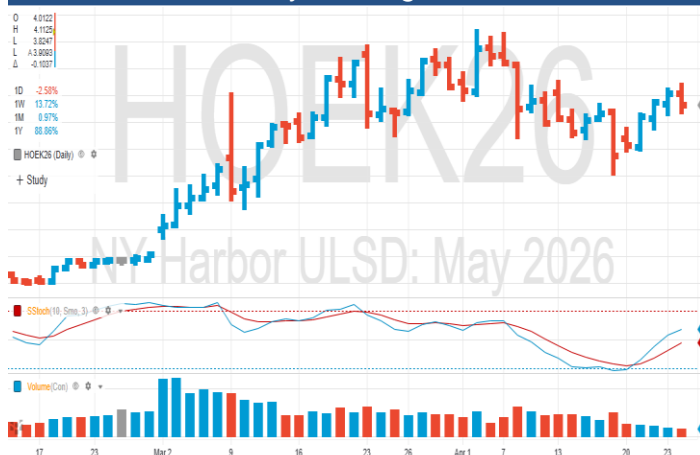
	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	3.8874	-0.1008	0.4900
Jun-26	3.7943	-0.0734	0.4924
Jul-26	3.6201	-0.0555	0.4230
Aug-26	3.4689	-0.0446	0.3515
Sep-26	2.3637	-1.0351	-0.6904
Oct-26	2.2722	-1.0284	-0.7215
Nov-26	3.1765	-0.0237	0.2512
Dec-26	3.0812	-0.0206	0.2265
Jan-27	3.0207	-0.0209	0.2070
Feb-27	2.9648	-0.0213	0.1911
Mar-27	2.9000	-0.0223	0.1771
Apr-27	2.8303	-0.0228	0.1645
May-27	2.7786	-0.0232	0.1524
Jun-27	2.7373	-0.0247	0.1407
Jul-27	2.7147	-0.0264	0.1332
Aug-27	2.6946	-0.0279	0.1267
Sep-27	2.6778	-0.0282	0.1216

## Sprague HeatCurve October 2026-April 2027 \$2.9514

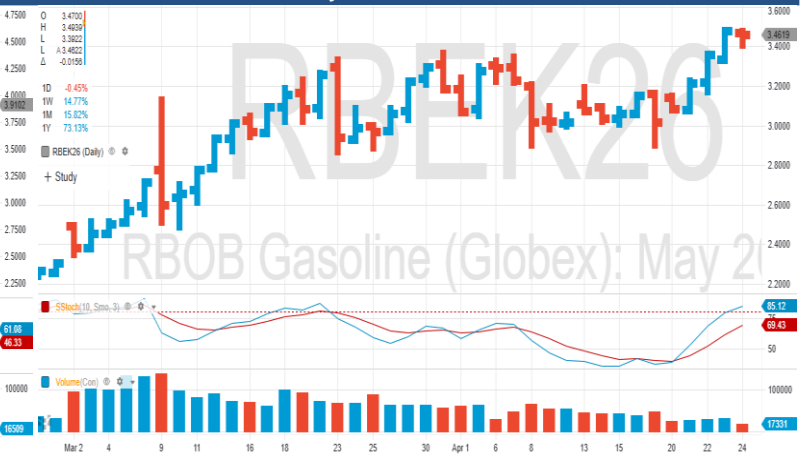
	Close	Change
Crude - WTI	\$94.4000	-\$1.4500
Crude - Brent	\$105.3300	\$0.2600
Natural Gas	\$2.5230	-\$0.0910
Gasoline	\$3.4626	\$0.0005



## May Heating Oil



## May RBOB



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