

Market Commentary

Recap: The oil market rallied over 6.9% amid the stalled U.S.-Iran peace talks and the continued disruptions to Middle Eastern supply. The market was also well supported by the EIA's weekly petroleum stocks report, which showed a larger than expected draw in crude stocks of over 6 million barrels in the week ending April 24th. The crude market posted a low of \$98.42 in overnight trading before it bounced off that level and continued on its upward trend on a Wall Street Journal report that President Donald Trump instructed aides to prepare for an extended blockade of Iran. On Tuesday, President Trump held talks with U.S. oil companies about ways to mitigate the impact of potentially months-long U.S. blockade of Iranian ports, adding to concerns that disruptions to Middle East supply could be prolonged. The oil market extended its gains to \$7.75 as it posted a high of \$107.68 in afternoon trading. The June WTI contract erased some of those gains ahead of the close and settled up \$6.95 at \$106.88. The market later continued to trade higher and posted a new high of \$108.49 in the post settlement period. The June Brent contract settled up \$6.77 at \$118.03. Meanwhile, the product markets ended the session sharply higher, with the heating oil market settling up 22.75 cents at \$4.1987 and the RB market settling up 18.07 cents at \$3.7411.

Technical Analysis: The crude market will remain well supported amid the expectation of a prolonged blockade of the Strait of Hormuz as the U.S. seeks to continue squeezing Iran's economy and oil exports by preventing shipping to and from its ports. The market will also remain supported following the inventory report showing draws across the board. The crude market is seen finding resistance at \$108.49, \$109.19, \$114.06, \$117.63 and \$119.48. Meanwhile, support is seen at \$102.46, \$98.42, \$96.24, \$94.59, \$92.68, \$92.30 followed by \$87.64, \$85.50, \$85.45 and \$78.97.

Fundamental News: U.S. drivers can expect another increase in gasoline prices in the coming days, just as the summer driving season gets underway, as the conflict in Iran drives oil prices higher and pushes countries around the world to call on American energy supplies. So far, relatively well-supplied stockpiles of gasoline have shielded U.S. consumers from the worst of the supply disruptions resulting from the Iran war and the effective closure of the Strait of Hormuz, even as prices have climbed to their highest level in four years. However, that could change as EIA data showed a 6.08 million barrel decline in gasoline stockpiles last week, part of a large drawdown in U.S. energy inventories as countries turn to the U.S. to cover supply gaps. Exports of crude oil reached a record last week, helping to further drive up prices which are already over \$100/barrel. According to data from AAA, the national average price for retail gasoline reached \$4.229/gallon on Wednesday, the highest level since July 2022.

Sources said seven members of OPEC+ are likely to agree on another increase in oil output targets when they meet on Sunday, lowering the size of the increase to take into account the United Arab Emirates' exit from the producer group. However, few of the producers can actually increase production due to the effective closure of the Strait of Hormuz to shipping due to the U.S.-Israeli war with Iran. Before Tuesday's surprise announcement from the UAE that it leaving OPEC and OPEC+ from May 1st, eight members of the wider group had been expected to proceed with an increase of 206,000 bpd to their output targets in June, repeating similar increases for May and April. Now, they are likely to proceed with a similar increase removing the UAE's share of 18,000 bpd.

IIR Energy said U.S. oil refiners' capacity is expected to increase by 344,000 bpd in the week ending May 1st from the previous week, pushing their total offline refining capacity down to 864,000 bpd. Offline capacity is expected to fall to 627,000 bpd in the week ending May 8th.

Early Market Call - as of 9:10 AM EDT

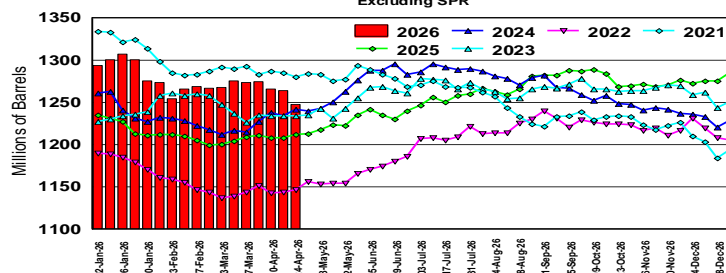
WTI - June \$104.28, down \$4.21
 RBOB - May \$3.6944, down 6.14 cents
 HO - May \$4.1265, down 8.85 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	4.1987	0.2275	0.2608
Jun-26	4.0986	0.2059	0.2825
Jul-26	3.9055	0.1743	0.2761
Aug-26	3.7342	0.1542	0.2589
Sep-26	3.6038	0.1380	0.2422
Oct-26	3.4894	0.1246	0.2272
Nov-26	3.3716	0.1113	0.2098
Dec-26	3.2536	0.0986	0.1899
Jan-27	3.1777	0.0895	0.1731
Feb-27	3.1076	0.0805	0.1571
Mar-27	3.0304	0.0730	0.1420
Apr-27	2.9492	0.0661	0.1285
May-27	2.8869	0.0610	0.1168
Jun-27	2.8359	0.0555	0.1057
Jul-27	2.8057	0.0517	0.0977
Aug-27	2.7799	0.0489	0.0914
Sep-27	2.7575	0.0457	0.0860

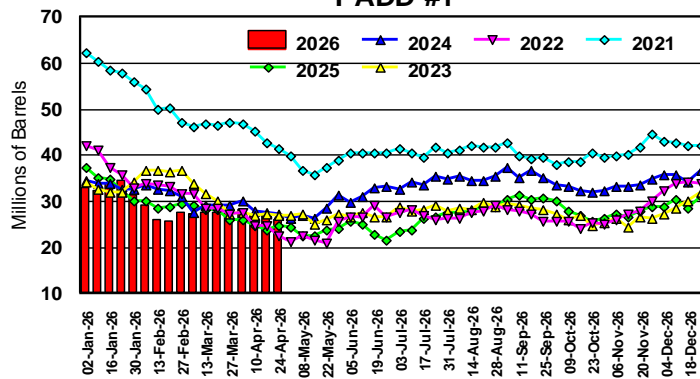
Sprague HeatCurve October 2026-April 2027		\$3.1797
	Close	Change
Crude - WTI	\$106.8800	\$6.9500
Crude - Brent	\$118.0300	\$6.7700
Natural Gas	\$2.6470	\$0.0880
Gasoline	\$3.7411	\$0.1807

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 24, 2026

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 6.2 million barrels
 Cushing, OK Crude Stocks Down 796,000 barrels
Gasoline Stocks Down 6.1 million barrels
Distillate Stocks Down 4.5 million barrels
Refinery % Operated 89.6%, up 0.5%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Apr 24, 2026	Week Ending Apr 17, 2026	Week Ending Apr 25, 2025
New England	3.4	3.5	3.0
Central Atlantic	12.9	13.5	11.8
Total PADD #1	25.9	27.0	24.6
Distillate Imports (thousands b/d)	88	159	42