



Market Commentary

Recap: The oil market on Friday traded lower after Iran sent its latest proposal for negotiations with the U.S. to Pakistani mediators. The crude market traded mostly sideways in overnight trading, posting a high of \$106.65, as efforts to end the Iran war remained at a standstill. However, the market erased its gains and sold off to a low of \$99.30 by mid-morning amid the news that Iran had sent a new proposal to continue negotiations with the U.S. to end the war. The market later bounced off its low and traded sideways as the market remained concerned over Iran still blocking the Strait of Hormuz and the U.S. Navy blocking exports of Iranian crude. Also, President Donald Trump stated in response to the new Iranian proposal that he was not satisfied with the latest proposal. The June WTI contract settled down \$3.13 at \$101.94 and the July Brent contract settled down \$2.23 at \$108.17. The product markets ended the session lower, with the heating oil market settling down 13.45 cents at \$3.9464 and the RB market settling down 1.98 cents at \$3.5952.

Technical Analysis: The crude market is seen remaining in its recent trading range as it awaits further news on the U.S. reaction to Iran's latest proposal to continue negotiations to end the war, while the blockade in the Strait of Hormuz remains in place. The U.S. has not made clear what its next steps are, with President Donald Trump stating that he was not satisfied with the previous proposal made by Iran and President Trump was to be briefed on Thursday on plans for new military strikes to compel Iran to negotiate. The oil market is seen finding support at \$99.30, \$98.72, \$98.42, \$96.24, \$94.95, \$94.59, \$92.68, \$92.30 and \$91.18. Meanwhile, resistance is seen at \$106.65, \$107.50, \$110.93, \$117.63 and \$119.48.

Fundamental News: GasBuddy data showed that California's average gasoline price reached \$6.01/gallon on Thursday, the highest level in the country and the most that motorists in the state have had to pay since October 2023, while the U.S. national average increased to \$4.34/gallon, the highest level since July 2022. Analysts expect prices to increase as the Iran conflict stretches into the peak U.S. summer travel season, typically beginning around Memorial Day in late May and lasting through Labor Day in September. California relies heavily on Asia for imports to meet its domestic fuel requirements, making it one of the U.S. states most affected by supply shortages due to the Iran war. Asian refiners have cut production and restricted exports as they struggle to find crude oil to replace barrels from the Middle East. Fuel shortages have also pushed foreign importers to buy crude and fuel supplies from the U.S. Gulf Coast, pushing benchmark oil prices higher and with them fuel prices across the United States. Kpler data showed U.S. gasoline exports increased in March to 834,000 bpd, the highest level since November, with at least two cargos sent to Asia. Fuel stockpiles in California reached record lows in April. Kpler data showed gasoline imports to California fell sharply after it reached a record 195,000 bpd in the week starting April 13th, to less than 75,000 bpd last week.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a second week in a row for the first time since mid-March. The oil and gas rig count increased by three to 547 in the week ending May 1st, its highest level since early April. Baker Hughes said oil rigs increased by one to 408 this week, their highest level since mid-April, while gas rigs increased by one to 130, their highest level since early April, and other miscellaneous rigs increased by one to nine.

IIR Energy said U.S. oil refiners are expected to shut in about 855,000 bpd of capacity in the week ending May 1st, increasing available refining capacity by 353,000 bpd from the previous week. Offline capacity is expected to fall to 627,000 bpd in the week ending May 8th.

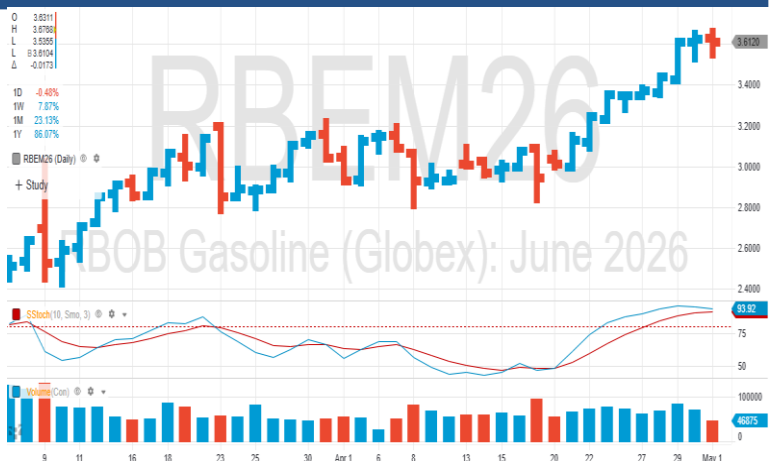
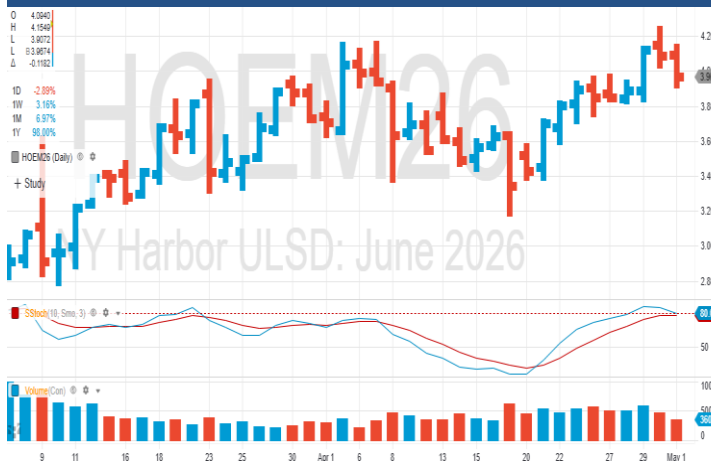
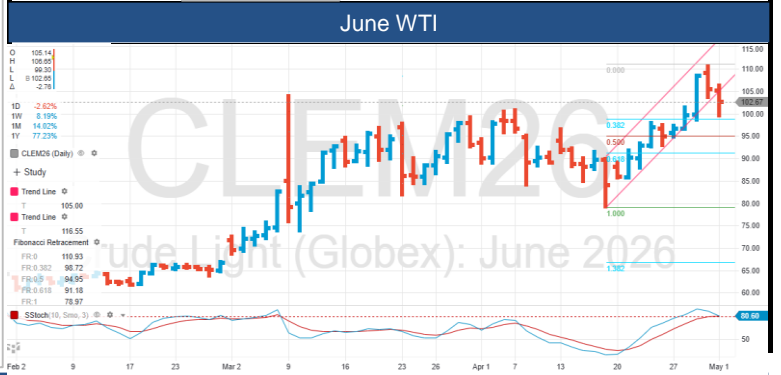
Early Market Call - as of 8:15 AM EDT
WTI - June \$102.64, up 14 cents
RBOB - June \$3.6050, down 53 points
HO - June \$3.9527, down 2.23 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-26	3.9464	-0.1345	0.1521
Jun-26	3.7827	-0.1055	0.1626
Jul-26	3.6316	-0.0841	0.1627
Aug-26	3.5175	-0.0726	0.1538
Sep-26	3.4167	-0.0645	0.1445
Oct-26	3.3136	-0.0565	0.1371
Nov-26	3.2103	-0.0494	0.1291
Dec-26	3.1393	-0.0452	0.1186
Jan-27	3.0711	-0.0421	0.1063
Feb-27	2.994	-0.0392	0.094
Mar-27	2.913	-0.0361	0.0827
Apr-27	2.8528	-0.0319	0.0742
May-27	2.8063	-0.0267	0.069
Jun-27	2.7805	-0.0226	0.0658
Jul-27	2.7575	-0.0203	0.0629
Aug-27	2.7373	-0.0189	0.0595
Sep-27	2.7195	-0.0174	0.0584

Sprague HeatCurve October 2026-April 2027 \$3.1366

	Close	Change
Crude - WTI	\$101.9400	-\$3.1300
Crude - Brent	\$108.1700	-\$2.2300
Natural Gas	\$2.7800	\$0.0130
Gasoline	\$3.5952	\$1.9800



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