

Market Commentary

Recap: The oil market continued its sell off for the third consecutive session on Wednesday as geopolitical concerns eased in the wake of the weekend attacks by Iran on Israel. The market was also pressured by the builds reported in U.S. crude stocks. The market opened lower and posted a high of \$85.51 in overnight trading before it continued to trend lower. The API reported a build of 4.1 million barrels late Tuesday afternoon, while the EIA on Wednesday morning reported a build of over 2.7 million barrels on the week. The crude market retraced more than 62% of its move from a low of \$80.30 to a high of \$87.67 as it sold off to a low of \$82.55 in afternoon trading. The market also seemed to remain pressured after Federal Reserve officials including Fed Chair Jerome Powell backed away on Tuesday from providing any guidance on when interest rates may be cut and stated that monetary policy needs to be restrictive for longer due to a recent stronger-than-expected inflation readings. The oil market traded sideways during the remainder of the session, with the May WTI contract settled down \$2.67 at \$82.69 and the June Brent contract settling down \$2.73 at \$87.29. The product markets ended sharply lower, with the heating oil market settling down 7.66 cents at \$2.5747 and the RB market settling down 9.36 cents at \$2.7287.

Technical Analysis: The crude market will likely retrace some of its sharp losses as the market continues to wait for news on Israel's response to Iran's attack over the weekend. Israel's Prime Minister, Benjamin Netanyahu, said Israel will make its own decisions about how to defend itself but has not stated exactly how Israel will respond as western countries have urged for restraint to keep tensions from escalating further into a regional conflict. The oil market is seen finding support at its low of \$82.55 followed by \$81.52, \$80.55, \$80.42 and \$80.30. Meanwhile, resistance is seen at \$83.10, \$84.35, its high of \$85.51 followed by \$86.18, \$87.67, \$88.29-\$88.33, \$90.00 and \$90.78.

Fundamental News: The EIA reported that U.S. crude oil inventories in the week ending April 12th increased by 2.735 million barrels to 460 million barrels. U.S. Gulf Coast crude stocks increased by 3.4 million barrels in the week ending April 12th to 260.9 million barrels, the most since April 2023. The EIA report showed that U.S. weekly imports of Mexican crude fell to the lowest level on record for the second consecutive week as Mexico's Pemex cut exports to supply more crude to its domestic refineries. Imports from Mexico fell to 208,000 bpd in the week ending April 12th. Mexican crude imports had fallen to 209,000 bpd in the first week of April, compared with average imports of about 733,000 bpd in 2023.

Israel's Prime Minister, Benjamin Netanyahu, said Israel will make its own decisions about how to defend itself, as western countries urged restraint in responding to Iran's retaliatory attacks. The Prime Minister met with German and British foreign ministers, who both traveled to Israel as part of a coordinated push to keep confrontation between Israel and Iran from escalating into a regional conflict fueled by the Gaza war. The U.S. has stated that it is planning to impose new sanctions targeting Iran's missile and drone program in the coming days and expects its allies to follow suit.

Senior U.S. officials said the U.S. will not renew a license set to expire on Thursday that had eased oil sanctions imposed on Venezuela, moving to reimpose punitive measures in response to President Nicolas Maduro's failure to meet certain election commitments. The U.S. Treasury Department announced that it had issued a replacement license giving companies 45 days to "wind down" their business and transactions in Venezuela's oil and gas sector.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.4 million bpd of capacity in the week ending April 19th, increasing available refining capacity by 8,000 bpd. Offline capacity is expected to fall to 988,000 bpd in the week ending April 26th.

Early Market Call - as of 8:15 AM EDT

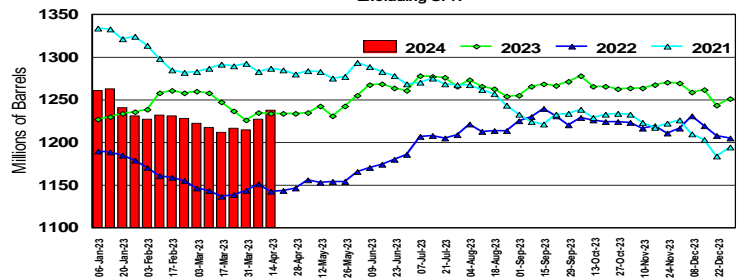
WTI - May \$82.13, down 56 cents
 RBOB - May \$2.6909, down 3.78 cents
 HO - May \$2.5298, down 4.49 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.5747	-0.0766	-0.1329
Jun-24	2.5809	-0.0769	-0.1229
Jul-24	2.5867	-0.0760	-0.1151
Aug-24	2.5917	-0.0746	-0.1091
Sep-24	2.5956	-0.0733	-0.1069
Oct-24	2.5958	-0.0722	-0.1056
Nov-24	2.5909	-0.0716	-0.1047
Dec-24	2.5809	-0.0711	-0.1033
Jan-25	2.5745	-0.0709	-0.1006
Feb-25	2.5622	-0.0707	-0.0959
Mar-25	2.5442	-0.0692	-0.0889
Apr-25	2.5209	-0.0674	-0.0820
May-25	2.5071	-0.0651	-0.0751
Jun-25	2.4948	-0.0626	-0.0692
Jul-25	2.4859	-0.0611	-0.0646
Aug-25	2.4779	-0.0601	-0.0612
Sep-25	2.4720	-0.0594	-0.0593

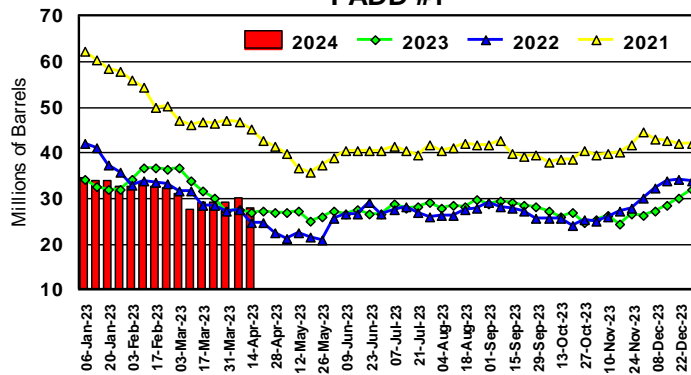
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	May Brent-WTI Spread \$5.14	\$82.1500	-\$2.6800
Crude - Brent		\$87.2900	-\$2.7300
Natural Gas		\$1.7120	-\$0.0200
Gasoline		\$2.7287	-\$0.0936

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 12, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 2.735 million barrels
 Cushing, OK Crude Stocks Up 33,000 barrels
Gasoline Stocks Down 1.154 million barrels
Distillate Stocks Down 2.76 million barrels
Refinery % Operated 88.1%, down 0.2%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Apr 12, 2024	Week Ending Apr 5, 2024	Week Ending Apr 14, 2023
New England	3.9	4.2	3.9
Central Atlantic	14.2	14.5	12.3
Total PADD #1	27.7	30.2	26.9
Distillate Imports (thousands b/d)	138	119	106