

Market Commentary

Recap: The oil market ended higher on Friday and settled 1.98% higher on the week following two consecutive weeks of losses amid worries about geopolitical tensions and after a U.S. official expressed optimism over economic growth. The market remained well supported by the continuing tension in the Middle East, with Israel stating that it would evacuate civilians from the southern Gaza city of Rafah and launch an all-out assault despite allies' warnings this could cause mass casualties. The market was further supported by U.S. Treasury Secretary Janet Yellen stating on Thursday that U.S. GDP growth for the first quarter could be revised higher. She said U.S. economic growth was likely stronger than suggested by weak quarterly data. The crude market continued to trend higher in overnight trading and traded to a high of \$84.46 early in the morning. It retraced almost 62% of its move from a high of \$86.97 to a low of \$80.70. However the market gave up some of its gains following the release of the Personal Consumption Expenditures price index, which increased 0.3% in March, in line with expectations, reducing hopes the Federal Reserve would cut interest rates soon. The oil market sold off to a low of \$83.35 before it retraced some of its losses and settled in a sideways trading range. The June WTI contract ended the session up 28 cents at \$83.85, while the June Brent contract settled up 49 cents at \$89.50. The product markets ended the session in mixed territory, with the heating oil market settling down 22 points at \$2.5482 and the RB market settling up 64 points at \$2.7646.

Technical Analysis: The crude market will be driven by headlines over the weekend as the market remains concerned about the tension in the Middle East, with Israel threatening to assault the Gaza city of Rafah. The market is seen finding resistance at its high of \$84.46 followed by \$84.57, \$85.64 and \$86.97. Meanwhile, support is seen at its low of \$83.35, \$81.99, \$80.88 and \$80.70. Further support is seen at \$79.99, \$79.91 and \$79.51.

Fundamental News: Israeli officials told their Egyptian counterparts on Friday that Israel is ready to give hostage negotiations "one last chance" to reach a deal with Hamas before moving forward with an invasion of Rafah. Separately, White House national security adviser, Jake Sullivan, said he saw fresh momentum in talks to end the war in Gaza and return the remaining Israeli hostages. He said "I believe that there is a renewed effort under way involving Qatar and Egypt as well as Israel to try to find a way forward."

India's Oil Minister, Hardeep Singh Puri, said that current market volatility is being caused by the OPEC producer group rather than the conflict in the Middle East. He said that oil producers are cutting down and holding back production.

S&P Global Commodities at Sea estimates monthly imports of U.S. diesel and gasoil into Europe has remained above 1 million mt for every month since December. April shipments were estimated to have reached a six month high of 1.32 million mt, with nearly 90% of these shipments coming out of the U.S. Gulf Coast. But given the narrowing arbitrage between Western Europe and the U.S. distillate markets, shipments are expected to decline over the near term. S&P Global Commodities at Sea noted only 271,000 mt of diesel and gasoil has been schedule to be exported to Europe in May so far, down 79.4% on the month.

Baker Hughes reported that U.S. energy firms in the week ending April 26th cut five oil rigs, the largest weekly decline since November, to 506. Meanwhile, the oil and gas rig count fell by six to 613 in the week ending April 26th, the lowest level since February 2022.

According to Wood Mackenzie, physical crude oil flows in pipelines across the U.S. are flat compared with last year's level, underscoring estimates that oil production will slow down this year. It estimates daily U.S. production in the lower 48 states will expand by 270,000 barrels and reach 10.9 million barrels. Output is expected to grow slower compared with last year, when drillers added 900,000 bpd and surprised the market.

Early Market Call - as of 8:20 AM EDT

WTI - June \$83.36, down 49 cents

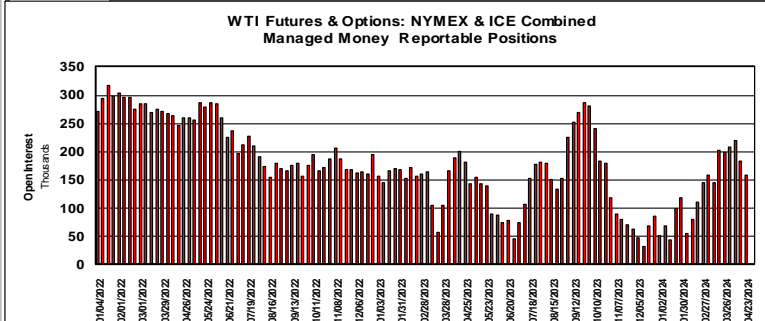
RBOB - May \$2.7687, up 41 points

HO - May \$2.5499, up 17 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.5482	-0.0022	0.0069
Jun-24	2.5607	0.0003	0.0101
Jul-24	2.5716	0.0023	0.0130
Aug-24	2.5811	0.0034	0.0151
Sep-24	2.5889	0.0038	0.0173
Oct-24	2.5948	0.0040	0.0195
Nov-24	2.5944	0.0048	0.0224
Dec-24	2.5889	0.0058	0.0258
Jan-25	2.5854	0.0058	0.0272
Feb-25	2.5739	0.0060	0.0283
Mar-25	2.5558	0.0070	0.0295
Apr-25	2.5314	0.0077	0.0297
May-25	2.5150	0.0083	0.0300
Jun-25	2.5008	0.0087	0.0297
Jul-25	2.4918	0.0082	0.0297
Aug-25	2.4848	0.0076	0.0296
Sep-25	2.4803	0.0071	0.0296

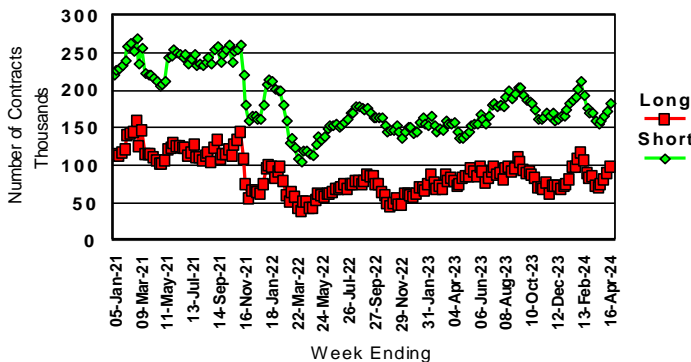
Sprague HeatCurve October 2024-April 2025			\$2.5762
		Close	Change
Crude - WTI	June Brent-WTI Spread	\$83.8500	\$0.2800
Crude - Brent		\$89.5000	\$0.4900
Natural Gas	\$5.65	\$1.6140	-\$0.1380
Gasoline		\$2.7646	\$0.0064



Commitment of Traders Report for the Week Ending April 23, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

