

Market Commentary

Recap: The oil market traded lower for a second day on Tuesday as the market's perceived risk to Middle East supply eased. The market was also weighed down by a stronger than expected U.S. retail sales report for March that further reinforced expectations that the U.S. Federal Reserve is unlikely to rush to cut interest rates. Overnight, the crude market rallied to a high of \$86.18 following economic data indicating that China's economy grew faster than expected in the first quarter. The market was also supported by Iran's President Ebrahim Raisi stating that Iran would respond to any action against its interests after Israel on Monday warned it would respond to Iran's weekend drone and missile attack. However, the market gave up its gains and traded to a low of \$84.75 following the U.S. retail sales report. The market later traded back above the \$85.00 level and settled in a sideways trading range during the remainder of the session. The May WTI contract settled down 5 cents at \$85.36 and the June Brent contract settled down 8 cents at \$90.02. The product markets settled in mixed territory, with the heating oil market settling down 29 points at \$2.6513 and the RB market settling up 3.84 cents at \$2.8223.

Technical Analysis: The market will remain in its sideways trading range as it continues to await for news on how Israel's Prime Minister Benjamin Netanyahu will respond to Iran's first-ever direct attack on Israel. On Wednesday, the market will also weigh the geopolitical news against the oil inventory reports, which are expected to show builds in crude stocks of close to 3 million barrels on the week. The market is seen finding support at its low of \$84.75, \$84.05, \$83.99 followed by \$83.85, \$83.12 and \$82.60. However, resistance is seen at its high of \$86.18, \$87.67, \$88.29-\$88.33 followed by \$90.00 and \$90.78.

Fundamental News: Israelis awaited word on how Prime Minister Benjamin Netanyahu would respond to Iran's first-ever direct attack as international pressure for restraint grew amid fears of an escalation of the conflict in the Middle East. On Monday, Prime Minister Netanyahu summoned his war cabinet for the second time in less than 24 hours to weigh a response to Iran's weekend missile and drone attack. Military Chief of Staff Herzi Halevi said Israel would respond but provided no details. Meanwhile, Iran's President, Ebrahim Raisi, said Iran will respond to any action against its interests, a day after Israel warned it will respond to Tehran's weekend drone and missile attack. Iran's Deputy Foreign Minister, Ali Bagheri Kani, told state TV on Monday night that Tehran's counteroffensive following any Israeli retaliation would be "a matter of seconds as Iran will not wait for another 12 days to respond".

U.S. Treasury Secretary Janet Yellen said Iran's actions threaten stability in the Middle East and could cause economic spillovers. She said the U.S. would use sanctions, and work with allies, to keep disrupting Iran's "malign and destabilizing activity." She said Iran's oil exports "remains in focus as a possible area that we could address."

Iran's Deputy Oil Minister, Morteza Shahmirzaei, said that his country was working to ensure that energy exports in the Middle East region are carried out without interruption after an attack on Israel.

White House senior adviser John Podesta said U.S. President Joe Biden will do what he can to ensure affordable gasoline prices, when asked about future releases of crude oil from the SPR. Goldman Sachs said it expects oil prices to remain at the higher end of its forecast range, citing disappointing U.S. supply and a likely sticky geopolitical risk premium.

HSBC sees a higher probability that OPEC+ will begin to unwind part of its supply cuts in the third quarter given high oil prices.

Early Market Call - as of 8:30 AM EDT

WTI - May \$84.67, down 69 cents
 RBOB - May \$2.7890, down 3.33 cents
 HO - May \$2.6220, down 2.93 cents

All NYMEX | Prior Settlements

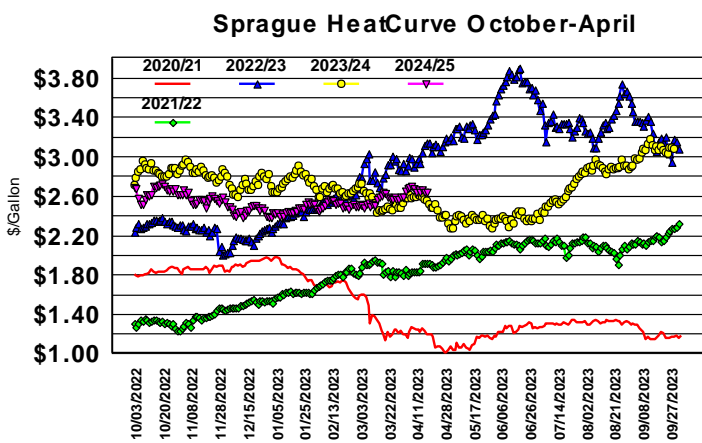
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.6513	-0.0029	-0.0257
Jun-24	2.6578	-0.0002	-0.0181
Jul-24	2.6627	0.0013	-0.0112
Aug-24	2.6663	0.0019	-0.0066
Sep-24	2.6689	0.0009	-0.0066
Oct-24	2.6680	-0.0001	-0.0071
Nov-24	3.6625	0.9997	0.9931
Dec-24	2.6520	-0.0002	-0.0066
Jan-25	2.6454	-0.0002	-0.0042
Feb-25	2.6329	0.0002	0.0002
Mar-25	2.6134	0.0008	0.0056
Apr-25	2.5883	0.0012	0.0108
May-25	2.5722	0.0010	0.0153
Jun-25	2.5574	0.0006	0.0183
Jul-25	2.5470	0.0008	0.0210
Aug-25	2.5380	0.0011	0.0226
Sep-25	2.5314	0.0014	0.0232

Sprague HeatCurve October 2024-April 2025			\$2.6378
		Close	Change
Crude - WTI	June Brent-WTI Spread \$5.19	\$84.8300	-\$0.0300
Crude - Brent		\$90.0200	-\$0.0500
Natural Gas		\$1.7320	\$0.0410
Gasoline		\$2.8223	\$0.0384

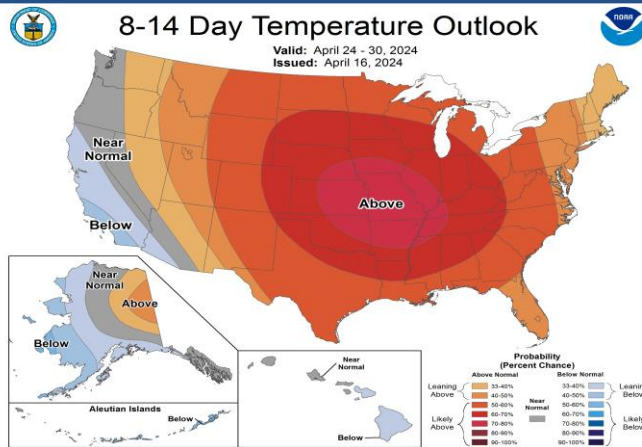
API Report for the Week Ending April 12, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.089 million barrels	Up 2.9 million barrels
Gasoline Stocks	Down 2.509 million barrels	Down 900,000 barrels
Distillate Stocks	Down 427,000 barrels	Down 1.1 million barrels
Refinery Runs		Down 0.5% at 87.8%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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