

## Market Commentary

**Recap:** The oil market ended the session higher on Friday as the geopolitical tensions in the Middle East outweighed a bearish world oil demand growth forecast from the IEA and reduced expectations for U.S. interest rate cuts this year. The crude market remained well supported by concerns that Iran may retaliate for a suspected Israeli attack on Iran's embassy in Syria on Monday. The White House said an imminent attack by Iran on Israel is a real and viable threat, while a U.S. official stating that it is not expected to be big enough to draw the U.S. into war. The market retraced Thursday losses and extended its gains to over \$2.60 as it rallied to a high of \$87.67 by mid-morning on the geopolitical news. However, the market gave up its earlier gains in light of the IEA cutting its forecast for 2024 world oil demand growth by 130,000 bpd to 1.2 million bpd and the economic reports seen earlier in the week. The market sold off to a low of \$85.34 ahead of the close. The May WTI contract settled up 64 cents or 0.75% at \$85.66 but was still down 1.44% on the week. The June Brent contract settled up 71 cents or 0.79% at \$90.45 but was also 0.79% lower on the week. Meanwhile, the product markets ended the session over 2 cents higher, with the heating oil market settling up 2.53 cents at \$2.6851 and the RB market settling up 2.88 cents at \$2.8029.

**Technical Analysis:** The oil market on Monday will remain driven by any headlines regarding the intensifying tensions in the Middle East. The market is concerned that an imminent attack by Iran on Israel could expand the war in the Middle East and impact oil supplies. The market is seen finding support at its low of \$85.24, \$84.84, \$84.55, \$83.99, \$83.85, \$83.12 and \$82.60. However, resistance is seen at its high of \$87.67, \$88.29-\$88.33 followed by the \$90.00 level and \$90.78.

**Fundamental News:** The White House said a reportedly imminent attack by Iran on Israel is a real and viable threat, giving no details about any possible timing and reiterating that the U.S. takes its commitments to defend Israel seriously. White House National Security Council spokesman John Kirby added that the United States is looking at its own force posture in the region in light of Tehran's threat and is watching the situation very closely. Late Thursday, a U.S. official said the United States expects an attack by Iran against Israel but one that would not be big enough to draw Washington into war. The White House said the U.S. did not want conflict to spread in the Middle East and the U.S. had told Iran it was not involved in an air strike against a top Iranian military commander in Damascus.

The International Energy Agency cut its forecast for 2024 oil demand growth, citing lower than expected consumption in OECD countries and a decline in factory activity. In its monthly report, the IEA lowered its growth outlook for this year by 130,000 bpd to 1.2 million bpd, adding that the release of pent-up demand by top oil importer China after easing COVID-19 curbs had run its course. Demand growth in 2025 will fall to 1.1 million bpd, with global GDP growth forecast to remain steady and electric vehicle expansion expected to gather pace. The IEA noted that China's contribution to the global increase in oil demand is set to weaken from 79% in 2023 to 45% in 2024 and 27% next year.

Baker Hughes reported that U.S. energy firms cut the number of oil and natural gas rigs operating for a fourth consecutive week for the first time since September 2023. The oil and gas rig count fell by three to 617 in the week ending April 12<sup>th</sup>, the lowest level since November. Baker Hughes said the number of oil rigs fell by two on the week to 506, while the number of gas rigs fell by one to 109, the lowest level since January 2022.

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 12<sup>th</sup>, cutting available refining capacity by 132,000 bpd.

**Early Market Call - as of 9:05 AM EDT**

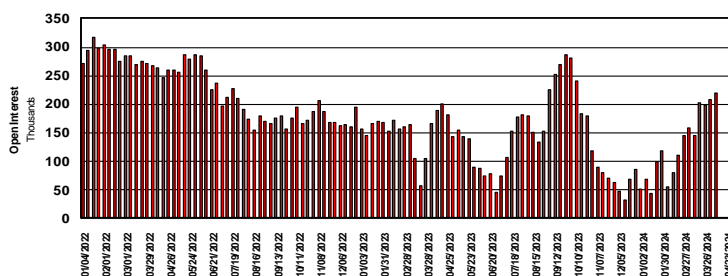
WTI - May \$85.10, down 56 cents  
 RBOB - May \$2.7807, down 2.22 cents  
 HO - May \$2.6520, down 3.31 cents

## All NYMEX | Prior Settlements

| Month  | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
|        | Close     | Change       | One Week  |
| May-24 | 2.6851    | 0.0253       | -0.0879   |
| Jun-24 | 2.6846    | 0.0222       | -0.0779   |
| Jul-24 | 2.6851    | 0.0218       | -0.0683   |
| Aug-24 | 2.6856    | 0.0210       | -0.0611   |
| Sep-24 | 2.6883    | 0.0202       | -0.0568   |
| Oct-24 | 2.6875    | 0.0196       | -0.0541   |
| Nov-24 | 2.6813    | 0.0188       | -0.0508   |
| Dec-24 | 3.6701    | 1.0182       | 0.9518    |
| Jan-25 | 2.6621    | 0.0181       | -0.0446   |
| Feb-25 | 2.6474    | 0.0183       | -0.0393   |
| Mar-25 | 2.6259    | 0.0185       | -0.0327   |
| Apr-25 | 2.5991    | 0.0184       | -0.0267   |
| May-25 | 2.5820    | 0.0186       | -0.0200   |
| Jun-25 | 2.5672    | 0.0190       | -0.0136   |
| Jul-25 | 2.5559    | 0.0195       | -0.0086   |
| Aug-25 | 2.5459    | 0.0194       | -0.0051   |
| Sep-25 | 2.5382    | 0.0194       | -0.0028   |

| Sprague HeatCurve October 2024-April 2025 |           | \$2.8236 |
|---|-----------|----------|
|   | Close     | Change   |
| Crude - WTI                               | \$85.0800 | \$0.6300 |
| Crude - Brent                             | \$90.4500 | \$0.7100 |
| Natural Gas                               | \$1.7700  | \$0.0060 |
| Gasoline                                  | \$2.8029  | \$0.0288 |

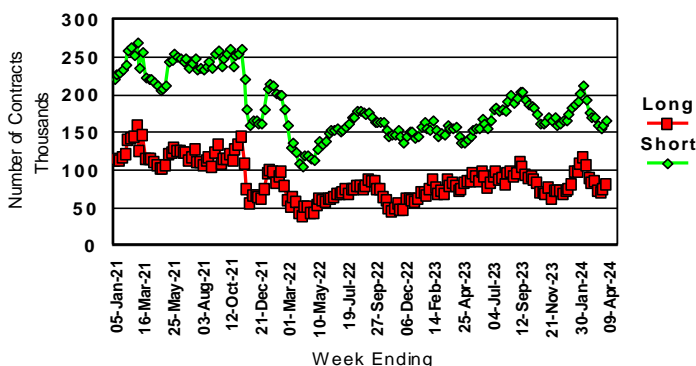
WTI Futures & Options: NYMEX & ICE Combined  
 Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending April 9, 2024

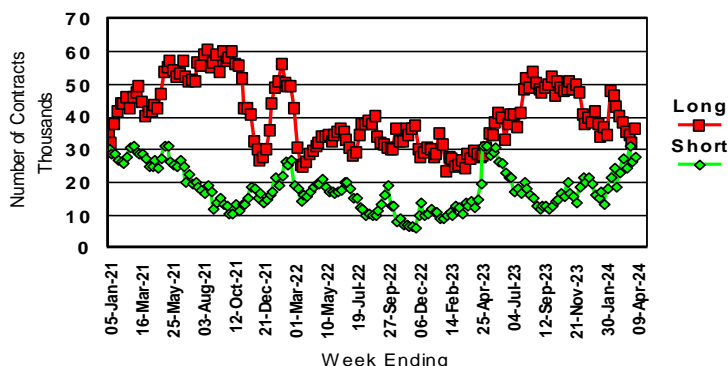
### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report



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