

Market Commentary

Recap: The oil market on Monday posted an outside trading day as the market weighed some supportive economic news from China and the diminished expectations for a quick agreement to end the Russia-Ukraine war against the expectations that OPEC+ will proceed with its oil output increase starting in April. The crude market retraced some of Friday's losses and posted a high of \$70.60 in overnight trading amid the news that China's manufacturing activity in February increased at the fastest rate in three months. The market was also supported as the market awaits the outcome of efforts to end the war between Ukraine and Russia. The market later erased its gains and sold off to \$69.15 by mid-morning as it held support at Friday's low of \$69.14. The market, however, breached its support and sold off sharply to a low of \$67.89 on some headlines stating that OPEC+ has decided to proceed with a planned April output increase. The April WTI contract settled down \$1.39 at \$68.37 and the May Brent contract settled down \$1.19 at \$71.62. The product markets ended the session lower, with the heating oil market settling down 5.46 cents at \$2.2604 and the RB market settling down 3.45 cents at \$2.1878.

Technical Analysis: The crude market will likely retrace some of its losses and trade sideways as it weighs the OPEC+ news against lower expectations of a quick peace agreement between Ukraine and Russia. The market will look for further direction from the announcements regarding the tariffs that are expected to become effective on Tuesday. The oil market is seen finding support at its lows of \$67.89, \$67.75, \$67.67, \$67.18 followed by \$66.62 and \$66.41. Meanwhile, resistance is seen at its high of \$70.60, \$71.26, \$71.70, \$72.77, \$72.88, \$73.14, \$73.33 and \$74.06.

Fundamental News: Sources stated that OPEC+ has decided to proceed with a planned April oil output increase. The gradual unwinding of 2.2 million bpd of cuts begins in April with a monthly increase of 138,000 bpd.

U.S. President Donald Trump said there was no chance for Mexico or Canada to avert the 25% tariffs that he promised to impose starting Tuesday. Earlier, U.S. Commerce Secretary, Howard Lutnick, said President Donald Trump was still weighing pending tariffs on goods from Canada and Mexico before the midnight deadline and will announce his decision on Tuesday. He said the two neighboring countries had done a good job on tightening their borders with the United States but had to do more to stop the flow of the drug fentanyl.

A U.S. official said the United States is drawing up a plan to potentially give Russia sanctions relief as President Donald Trump seeks to restore ties with Moscow and stop the war in Ukraine. The White House has asked the State and Treasury departments to draft a list of sanctions that could be eased for U.S. officials to discuss with Russian representatives in the coming days as part of the administration's broad talks with Russia on improving diplomatic and economic relations. According to the sources the sanctions offices are now drawing up a proposal for lifting sanctions on select entities and individuals, including some Russian oligarchs.

On Sunday, British Prime Minister Keir Starmer said European leaders had agreed to draw up a Ukraine peace plan to present to the United States. At a summit in London just two days after Ukraine's President Volodymyr Zelenskyy clashed with U.S. President Donald Trump and cut short a visit to Washington, European leaders offered a strong show of support to the Ukrainian president and promised to do more to help his nation.

The startup of oil production from Equinor's Arctic Johan Castberg field has been delayed again due to bad weather. Equinor had previously said it planned to start the field by the end of February, after postponing its startup from the end of 2024.

Early Market Call - as of 8:35 AM EDT

WTI - Apr \$67.62, down 75 cents

RBOB - Apr \$2.18512, down 26 points

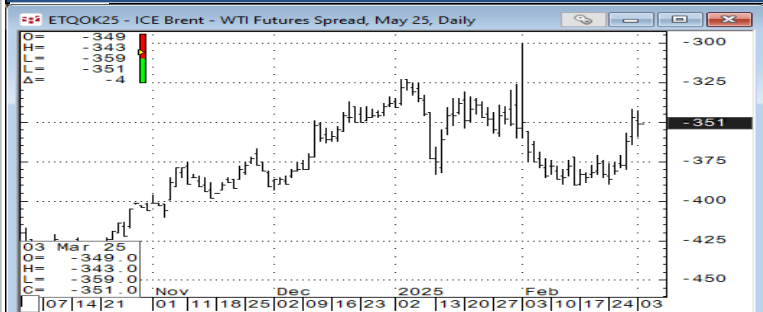
HO - Apr \$2.2723, up 1.19 cents

All NYMEX | Prior Settlements

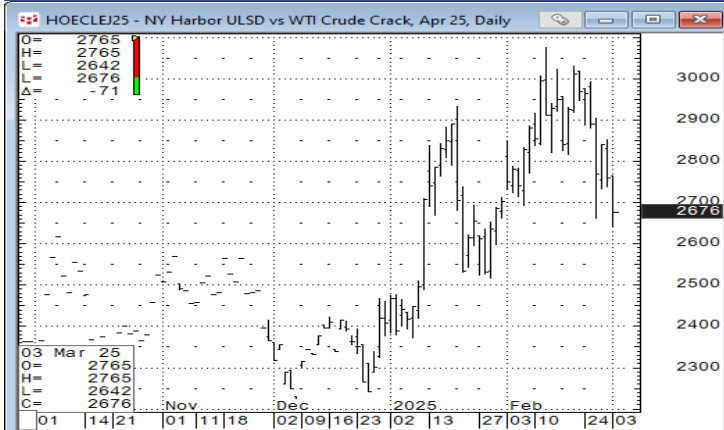
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.2604	-0.0546	-0.1173
May-25	2.2135	-0.0475	-0.1043
Jun-25	2.1828	-0.0419	-0.0989
Jul-25	2.1749	-0.0386	-0.0940
Aug-25	2.1742	-0.0355	-0.0900
Sep-25	2.1815	-0.0331	-0.0871
Oct-25	2.1898	-0.0311	-0.0845
Nov-25	2.1928	-0.0296	-0.0815
Dec-25	2.1914	-0.0285	-0.0789
Jan-26	2.1937	-0.0270	-0.0755
Feb-26	2.1897	-0.0255	-0.0723
Mar-26	2.1787	-0.0246	-0.0696
Apr-26	2.1617	-0.0232	-0.0664
May-26	2.1528	-0.0224	-0.0639
Jun-26	2.1771	0.0084	-0.0313
Jul-26	2.1486	-0.0214	-0.0596
Aug-26	2.1507	-0.0211	-0.0581

Sprague HeatCurve October 2025-April 2026		\$2.1870
	Close	Change
Crude - WTI	\$68.0600	-\$1.2800
Crude - Brent	\$71.6200	-\$1.1900
Natural Gas	\$4.1220	\$0.2880
Gasoline	\$2.1878	-\$0.0345

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

