

## Market Commentary

**Recap:** The oil market continued to trend higher on Monday after U.S. President Donald Trump said he will impose 25% tariffs on countries that buy oil and gas from Venezuela. This followed last week's announcement of new sanctions imposed on Iranian oil exports. The equities market also rallied on Monday as the Trump administration is taking a measured approach on tariffs against its trading partners. Bloomberg News and the Wall Street Journal reported that the Trump administration is likely to exclude a set of sector specific tariffs when it imposes reciprocal tariff measures on April 2<sup>nd</sup>. The crude market posted a low of \$67.95 in overnight trading as the market weighed new U.S. sanctions on Iranian exports against talks to end the war in Ukraine. The market retraced more than 50% of its move from a high of \$73.17 to a low of \$64.85 as it rallied to a high of \$69.33 by mid-day on the tariff news. However, the market erased some of its gains on news that OPEC+ will likely proceed with a planned oil output increase in May. The May WTI contract settled up 83 cents at \$69.11 and the May Brent contract settled up 84 cents at \$73.00. The product stocks ended the session higher, with the heating oil market settling up 75 points at \$2.2571 and the RB market settling up 1.12 cents at \$2.2066.

**Technical Analysis:** The crude market on Tuesday will trade sideways as it weighs the tariff news and the geopolitical tensions in the Middle East against the expectations that OPEC+ will proceed with an output increase in May. The market is seen finding resistance at its high of \$69.33, \$70.00, \$70.19 and \$70.98. Meanwhile, support is seen at \$67.95, \$67.65, \$66.63, \$66.08, \$65.83, \$65.00 and \$64.85.

**Fundamental News:** U.S. President Donald Trump said that any country that buys oil or gas from Venezuela will pay a 25% tariff on trades made with the United States, citing migration and criminal gang members in the U.S. He said this "secondary tariff" will take effect on April 2<sup>nd</sup>. China is the largest buyer of Venezuela's oil.

The U.S. Treasury Department said the U.S. gave Chevron until May 27<sup>th</sup> to wind down its oil operations and exports from Venezuela.

Bloomberg News and the Wall Street Journal reported that U.S. President Donald Trump's administration is likely to exclude a set of sector-specific tariffs while applying reciprocal levies on April 2<sup>nd</sup>. According to an administration official, the White House was still planning to unveil reciprocal tariff measures on that day, although planning remains fluid. Later on Monday, President Donald Trump said he will in the very near future announce tariffs on automobiles, aluminum and pharmaceuticals. He also stated that he may give a "lot of countries" breaks on tariffs and that he plans to announce more tariffs on automobiles in the next few days.

U.S. and Russian officials held talks in Saudi Arabia on Monday aimed at sealing a Black Sea maritime ceasefire deal before a wider ceasefire. The talks follow U.S. negotiations with Ukraine in Saudi Arabia on Sunday. A source briefed on the planning for the talks said the U.S. side was being led by Andrew Peek, a senior director at the White House National Security Council, and Michael Anton, a senior State Department official. The White House says the aim of the talks is to reach a maritime ceasefire in the Black Sea, allowing the free flow of shipping, though the area has not been the location of intense military operations in recent months. The Kremlin said the talks will be "mainly to study the prospects for the possible implementation of a well-known initiative related to the safety of navigation in the Black Sea."

IIR Energy said U.S. oil refiners are expected to shut in about 1.6 million bpd of capacity in the week ending March 28<sup>th</sup>, cutting available refining capacity by 216,000 bpd. Offline capacity is expected to fall to 1.5 million bpd in the week ending April 4<sup>th</sup>.

**Early Market Call - as of 8:20 AM EDT**

WTI - May \$69.62, up 51 cents

RBOB - Apr \$2.2197, up 1.31 cents

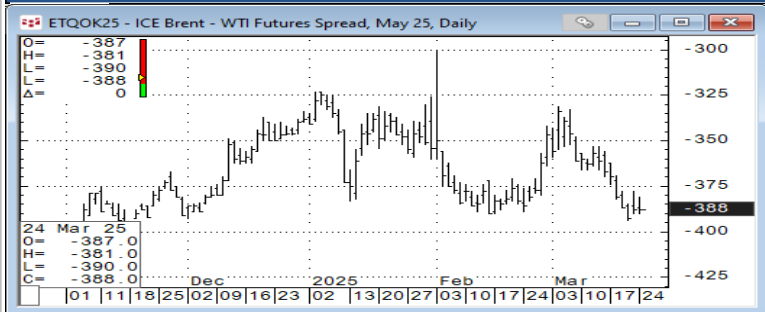
HO - Apr \$2.2832, up 2.61 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.2571	0.0075	0.0533
May-25	2.2196	0.0099	0.0534
Jun-25	2.1945	0.0112	0.0486
Jul-25	2.1889	0.0120	0.0475
Aug-25	2.1884	0.0114	0.0445
Sep-25	2.1940	0.0099	0.0408
Oct-25	2.2007	0.0091	0.0383
Nov-25	2.2029	0.0086	0.0366
Dec-25	2.2016	0.0082	0.0358
Jan-26	2.2030	0.0077	0.0345
Feb-26	2.1990	0.0074	0.0337
Mar-26	2.1877	0.0069	0.0324
Apr-26	2.1709	0.0068	0.0309
May-26	2.1613	0.0061	0.0286
Jun-26	2.1551	0.0041	0.0271
Jul-26	2.1564	0.0038	0.0262
Aug-26	2.1584	0.0029	0.0252

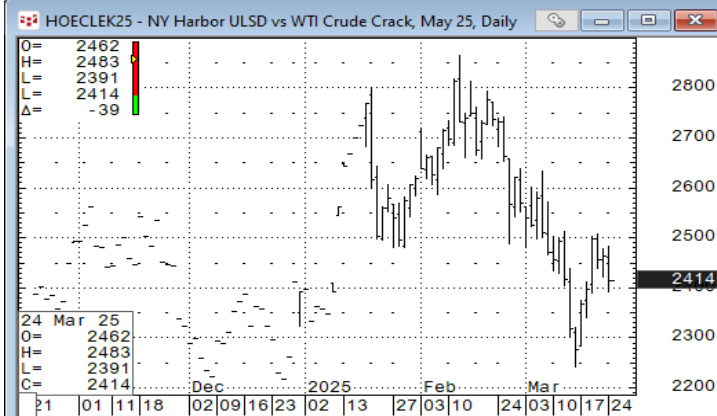
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	May Brent-WTI Spread \$3.89	\$69.1100	\$0.8300
Crude - Brent		\$73.0000	\$0.8400
Natural Gas		\$3.9140	-\$0.0660
Gasoline		\$2.2066	\$0.0112

### ICE May Brent-WTI Spread

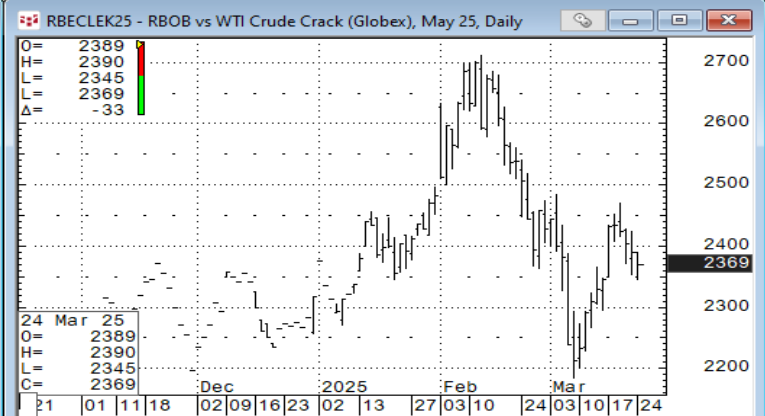


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## May Heating Oil Crack Spread



## May RBOB Crack Spread



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