

Market Commentary

Recap: The oil market on Wednesday remained well supported by concerns over tighter global supply following the threat of tariffs on countries buying Venezuelan crude. The market was further buoyed by the weekly crude oil inventory reports showing larger than expected draws in crude stocks. Shipping data showed loadings of Venezuela's heavy crude at its main oil ports slowed this week after the Trump administration signed an executive order to impose a 25% tariff on trade with countries buying Venezuela's oil. The crude market continued to trend higher as the market opened after the API reported a larger than expected draw in crude stocks of 4.6 million barrels. It posted a low of \$69.06 in overnight trading before it continued to trend higher. The market was further supported by a 3.3 million barrel draw in crude stocks reported by the EIA, which pushed the market to its high of \$70.22. The oil market, however, gave up some of its gains and traded below the \$70.00 level during the remainder of the session. The May WTI contract settled up 65 cents at \$69.65 and the May Brent contract settled up 77 cents at \$73.79. The product markets ended the session in positive territory amid the draws in product stocks, with the heating oil market settling up 28 points at \$2.2887 and the RB market settling up 2.41 cents at \$2.2328.

Technical Analysis: The crude market is seen trading sideways as the market failed to settle above the \$70 level despite the supportive tariff news regarding Venezuelan crude and the weekly crude stocks reports. The market will also weigh the recent sanctions imposed on Iran against the expectations that OPEC+ will stick to its plan to increase its output for a second consecutive month in May. The oil market is seen finding resistance at its high of \$70.22, \$70.71, \$70.98 and \$72.09. Meanwhile, support is seen at \$69.06, \$68.52, \$67.95, \$67.65, \$66.63 and \$66.09.

Fundamental News: Ukraine's President Volodymyr Zelenskyy called on the United States on Wednesday to further sanction Moscow, which he said was clearly not pursuing a "real peace" after a night of Russian drone attacks that caused damage in several places. He said the attacks went against the spirit of the peace talks. He singled out strikes on his hometown of Kryvyi Rih and the northern region of Sumy, amid questions swirled over basic details of two ceasefire agreements that were announced by the United States on Tuesday after talks in Saudi Arabia. The United States said it agreed to separate deals with Ukraine and Russia to pause their strikes over the Black Sea and against each other's energy targets, although it was unclear when the agreements came into force. Ukraine's President Volodymyr Zelenskyy said they were effective immediately, but the Kremlin said the Black Sea agreements would not come into effect unless some Russian banks were linked back up with the international financial system.

Russia's Deputy Prime Minister, Alexander Novak, said global oil demand was seen increasing between 1 million bpd and 1.5 million bpd this year. That compares with the latest expectations from OPEC for an increase of 1.45 million bpd. He said that the OPEC+ group will monitor the oil market, which is currently stable, while it was important to keep the supply-demand balance.

According to a Dallas Fed survey, activity in the U.S. oil and gas sector increased slightly in the first quarter of 2025 but uncertainty and pessimism among companies also increased. It reported that oil and gas production increased slightly in the first quarter of 2025 and costs among oilfield service firms increased at a faster pace in the first quarter of 2025 versus the fourth quarter of 2024. Companies expect a WTI oil price of \$68/barrel by the end of 2025 and natural gas prices of \$3.78/mmBtu.

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

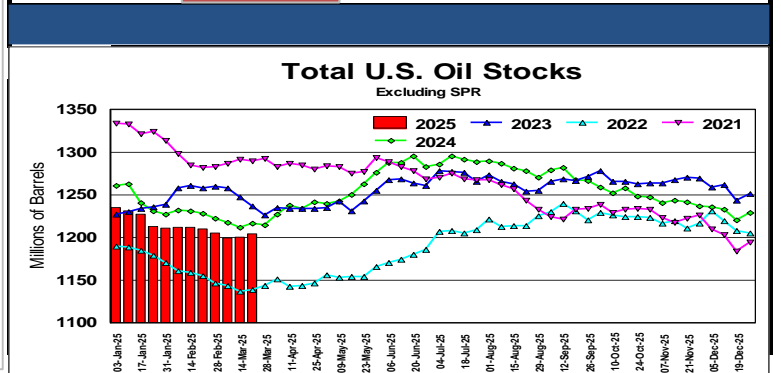
Early Market Call - as of 8:35 AM EDT

WTI - May \$69.60, down 5 cents
 RBOB - Apr \$2.2353, up 25 points
 HO - Apr \$2.2849, down 38 points

All NYMEX | Prior Settlements

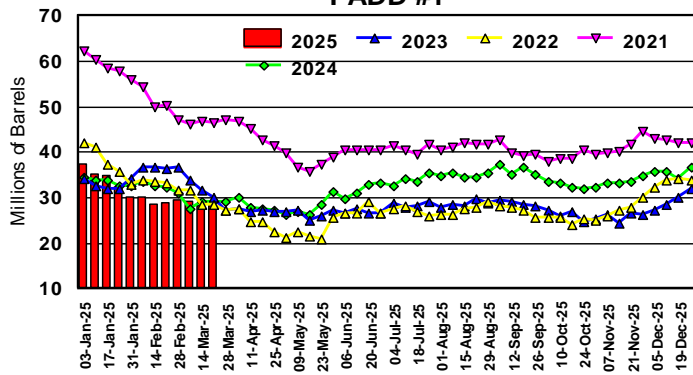
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.2887	0.0028	0.0568
May-25	2.2508	0.0075	0.0638
Jun-25	2.2241	0.0116	0.0645
Jul-25	2.2183	0.0140	0.0653
Aug-25	2.2163	0.0145	0.0632
Sep-25	2.2193	0.0138	0.0584
Oct-25	2.2231	0.0128	0.0540
Nov-25	2.2243	0.0127	0.0519
Dec-25	2.2233	0.0132	0.0513
Jan-26	2.2239	0.0130	0.0495
Feb-26	2.2185	0.0124	0.0476
Mar-26	2.2062	0.0123	0.0457
Apr-26	2.1879	0.0118	0.0432
May-26	2.1773	0.0118	0.0407
Jun-26	2.1702	0.0122	0.0387
Jul-26	2.1704	0.0126	0.0370
Aug-26	2.1719	0.0131	0.0355

Sprague HeatCurve October 2025-April 2026		\$2.2169
	Close	Change
Crude - WTI	\$69.6500	\$0.6500
Crude - Brent	\$73.7900	\$0.7700
Natural Gas	\$3.8610	\$0.0210
Gasoline	\$2.2328	\$0.0241



Weekly EIA Petroleum Status Report for the Week Ending March 21, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.341 million barrels
 Cushing, OK Crude Stocks Down 755,000 barrels
Gasoline Stocks Down 1.446 million barrels
Distillate Stocks Down 421,000 barrels
Refinery % Operated 87%, up 0.1%

PADD #1

	Week Ending Mar. 21, 2025	Week Ending Mar. 14, 2024	Week Ending Mar. 22, 2024
Distillate Stocks (in million bbl)			
New England	4.0	4.0	4.8
Central Atlantic	14.0	14.7	13.9
Total PADD #1	28.3	28.3	29.2
Distillate Imports (thousands b/d)	100	226	150