

## Market Commentary

**Recap:** The oil market on Monday posted another outside trading session as it retraced some of its early losses and rallied sharply higher after U.S. President Donald Trump suggested that the U.S. impose further tariffs on buyers of Russian oil due to a lack of progress in ending the Ukraine war. The oil market initially dismissed President Trump's threat of imposing 25%-50% secondary tariffs on Russian oil exports if it refuses a ceasefire with Ukraine as he later added that he did not believe Russia's President would "go back on his word". The market breached its previous low of \$68.87 and posted a low of \$68.81. However, the market later retraced its losses and rallied higher, extending its gains to over 3.6% as it posted a high of \$71.83 in afternoon trading. The market was also well supported by concerns over President Trump's threat to take military action against Iran if Tehran does not agree to a deal over its nuclear program. The market later erased some of its gains and traded in a sideways trading range. The May WTI contract settled up \$2.12 at \$71.48 and the May Brent contract settled up \$1.11 at \$74.74. The product markets ended the session higher, with the heating oil market settling up 5.31 cents at \$2.3140 and the RB market settling up 4.84 cents at \$2.2831.

**Technical Analysis:** The oil market on Tuesday is seen retracing some of its sharp gains and trend sideways following Monday's volatile trading session. The market is seen weighing the news of the possible tariffs on Russian oil exports and the threat of military action against Iran against the reciprocal tariff announcement expected on Wednesday. The oil market is seen finding resistance at its high of \$71.83, \$72.09, \$72.90, \$73.17 and \$73.82. Meanwhile, support is seen at \$70.71, \$69.32, \$68.81, \$68.52, \$67.95, \$67.65, \$66.63 and \$66.09.

**Fundamental News:** U.S. President Donald Trump said that reciprocal tariffs he is set to announce this week will include all nations, not just a smaller group of 10 to 15 countries with the biggest trade imbalances. President Trump has promised to unveil a massive tariff plan on Wednesday.

According to the EIA, U.S. crude oil production fell by 305,000 bpd to 13.15 million bpd in January, the lowest level since February 2024. It was the biggest decline in monthly U.S. oil output since January last year. The EIA also lowered its estimate of record U.S. oil production in December by about 40,000 bpd to 13.45 million bpd. U.S. crude oil exports increased to 3.931 million bpd in January, up from 3.85 million bpd in December, while refined oil product exports fell to 2.914 million bpd in January, down from 3.691 million bpd in December. U.S. distillates fuel exports fell to 1.191 million bpd in January, down from 1.474 million bpd in December, while gasoline exports fell to 791,000 bpd in January, down from 1.027 million bpd in December. U.S. total oil demand in January increased by 5.9% or 1.149 million bpd on the year to 20.736 million bpd. U.S. distillates demand in January increased by 5% or 194,000 bpd on the year to 4.064 million bpd and U.S. gasoline demand increased by 3% or 245,000 bpd on the year to 8.483 million bpd.

Equinor's Johan Castberg oilfield in the Arctic Barents Sea began production on Monday after several delays, and is expected to repay its 86 billion Norwegian crown or \$8.14 billion price tag in less than two years. The field is estimated to hold about 450 million-650 million barrels of recoverable oil, and has a capacity to produce about 220,000 bpd. It is expected to increase to this level in the second quarter of 2025.

U.S. authorities have notified Spanish oil company Repsol that its license to export oil from Venezuela will be revoked, while Spain's Foreign Minister, Jose Manuel Albares, said his government will always defend the interests of Repsol. Oil companies Maurel et Prom from France and Eni from Italy said during the weekend they were notified by the U.S. government that respective licenses to operate in Venezuela were revoked.

**Early Market Call - as of 8:35 AM EDT**

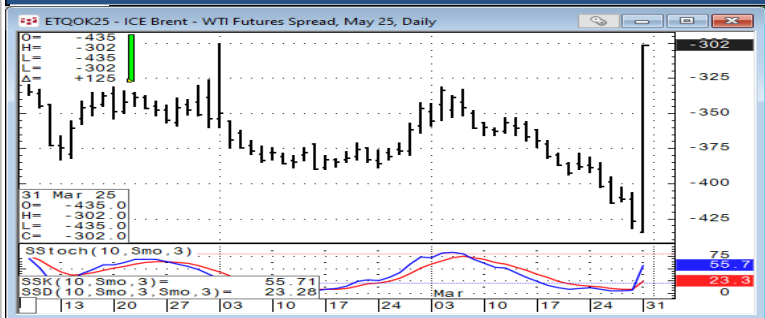
WTI - May \$71.37, down 11 cents  
 RBOB - May \$2.2880, down 27 points  
 HO - May \$2.2759, down 35 points

## All NYMEX | Prior Settlements

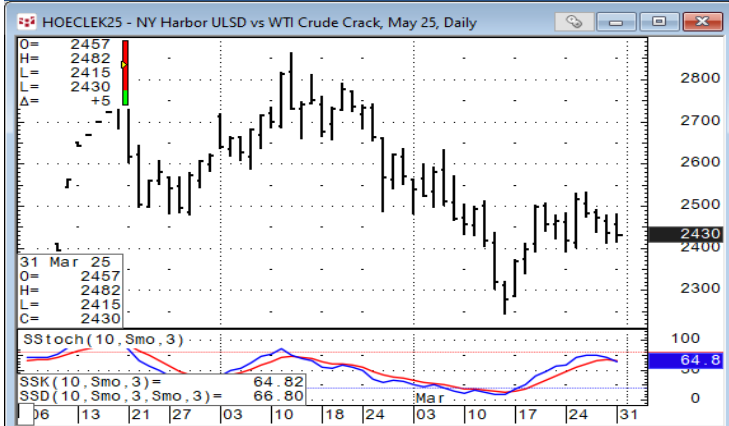
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.3140	0.0531	0.0569
May-25	2.2794	0.0506	0.0598
Jun-25	2.2591	0.0503	0.0646
Jul-25	2.2548	0.0490	0.0659
Aug-25	2.2543	0.0491	0.0659
Sep-25	2.2580	0.0489	0.0640
Oct-25	2.2621	0.0487	0.0614
Nov-25	2.2626	0.0481	0.0597
Dec-25	2.2604	0.0469	0.0588
Jan-26	2.2602	0.0458	0.0572
Feb-26	2.2542	0.0448	0.0552
Mar-26	2.2411	0.0436	0.0534
Apr-26	2.2225	0.0424	0.0516
May-26	2.2114	0.0411	0.0501
Jun-26	2.2034	0.0394	0.0483
Jul-26	2.2027	0.0379	0.0463
Aug-26	2.2028	0.0363	0.0444

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	May Brent-WTI Spread \$3.26	\$71.4800	\$2.1200
Crude - Brent		\$74.7400	\$1.1100
Natural Gas		\$4.1190	\$0.0540
Gasoline		\$2.2831	\$0.0484

### ICE May Brent-WTI Spread



## May Heating Oil Crack Spread



## May RBOB Crack Spread

