

Market Commentary

Recap: The oil market on Monday continued to tumble for the third consecutive session amid concerns that U.S. President Donald Trump's sweeping tariffs announced last week could push economies around the world into recession and cut global demand for oil. In a volatile trading session, the market sold off more than \$3 in overnight trading to a low of \$58.95 and later swung into positive territory, rallying over \$1.90 as it posted a high of \$63.90 in mid-morning trading. The market quickly rallied higher and just as quickly gave up those sharp gains following reports of what the White House called "fake news" that U.S. President Donald Trump was considering a 90-day pause on tariffs for all countries, except China. The market was also pressured as Saudi Arabia cut its official selling prices for next month. The market later traded within a \$2 trading range from \$60-\$62 during the remainder of the session. The May WTI contract settled down \$1.29 at \$60.70 and the June Brent contract settled down \$1.37 at \$64.21. The product markets ended lower, with the heating oil market settling down 1.2 cents at \$2.0699 and the RB market settling down 3.44 cents at \$2.0201.

Technical Analysis: The crude market will likely trade sideways following the recent volatility due to the sweeping tariffs scheduled to begin on Wednesday. It will remain headline driven as seen during today's short-lived rally on the erroneous news story regarding a pause on tariffs. The market is seen finding support at \$60.00, its low of \$58.95, \$58.73, \$57.63, \$57.25 followed by \$51.64. Meanwhile, resistance is seen at \$62.05, its high of \$63.90, \$64.95, \$66.36, \$66.90, \$67.75 followed by \$68.38, \$69.13, \$69.87 and its gap from \$70.41-\$70.59.

Fundamental News: U.S. President Donald Trump said he will impose an additional 50% tariff on China on Wednesday if Beijing did not withdraw its 34% retaliatory tariffs on the United States.

Goldman Sachs revised down its annual average price forecasts again for Brent and WTI crude in 2026, citing increased recession risks and the possibility of higher than expected OPEC+ supply. On Sunday, Goldman Sachs cut its 2026 average price forecast by \$4 for Brent to \$58/barrel and WTI to \$55/barrel. On Friday, it initially cut its 2026 average price forecast for Brent to \$62/barrel and for WTI to \$59/barrel and warned that the new estimates could be further reduced. Goldman Sachs now expects oil demand to grow by 300,000 bpd in 2025, down from its previous forecast of 600,000 bpd, and to increase by 400,000 bpd in 2026. The bank attributes the reduction in demand growth to the negative influence of a weaker GDP, which outweighs support from a weaker dollar and lower oil prices.

Citi Research lowered its 0-3 month Brent price forecast to \$60/barrel.

Top OPEC+ ministers stressed the need for full compliance with oil output targets and plans to compensate for producing too much. Several ministers from OPEC+ held an online joint ministerial monitoring committee meeting on Saturday. OPEC said "The committee noted the countries that did not achieve full conformity and compensation and reiterated the critical importance of achieving full conformity and compensation." Kazakhstan's Energy Minister said that he would work with companies that produce the country's oil to make the additional cuts pledged to OPEC+. Countries are to submit new plans for their compensation cuts by April 15th. The next joint ministerial monitoring committee meeting is scheduled for May 28th, when the full OPEC+ group also plans to gather next to set policy.

According to a Reuters survey, OPEC oil output fell in March ahead of a scheduled output increase, as Nigeria cut deliveries to domestic refineries and Iranian and Venezuelan supply fell on renewed U.S. attempts to cut the flows. OPEC produced 26.63 million bpd in March, down 110,000 bpd from February's total.

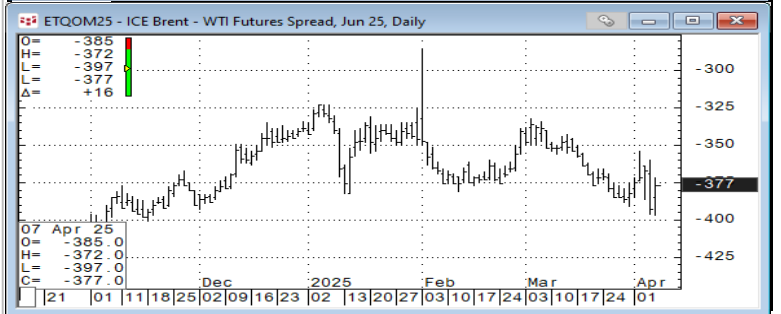
Early Market Call - as of 8:15 AM EDT
WTI - May \$61.10, up 40 cents
RBOB - Apr \$2.0361, up 1.6 cents
HO - Apr \$2.0830, up 1.31 cents

All NYMEX | Prior Settlements

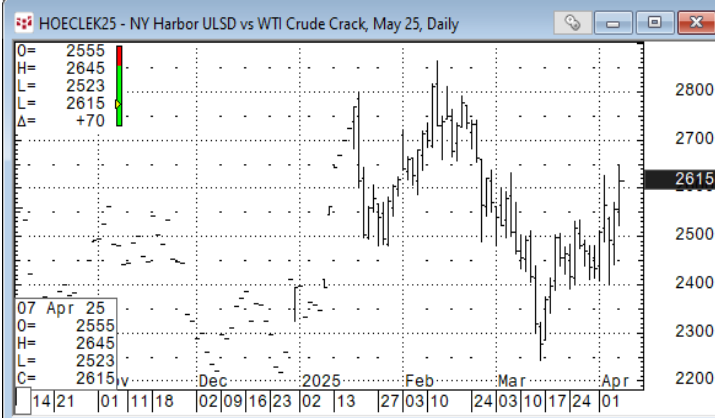
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.0699	-0.0120	-0.2095
May-25	2.0262	-0.0180	-0.2329
Jun-25	2.0177	-0.0172	-0.2371
Jul-25	2.0195	-0.0156	-0.2348
Aug-25	2.0272	-0.0158	-0.2308
Sep-25	2.0350	-0.0157	-0.2271
Oct-25	2.0406	-0.0155	-0.2220
Nov-25	2.0446	-0.0151	-0.2158
Dec-25	2.0515	-0.0143	-0.2087
Jan-26	2.0522	-0.0134	-0.2020
Feb-26	2.0457	-0.0120	-0.1954
Mar-26	2.0336	-0.0107	-0.1889
Apr-26	2.0291	-0.0098	-0.1823
May-26	2.0283	-0.0084	-0.1751
Jun-26	2.0349	-0.0065	-0.1678
Jul-26	2.0420	-0.0044	-0.1608
Aug-26	2.0494	-0.0026	-0.1543

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	June Brent-WTI Spread \$3.77	\$60.4400	-\$1.2100
Crude - Brent		\$64.2100	-\$1.3700
Natural Gas		\$3.6550	-\$0.1820
Gasoline		\$2.0201	-\$0.0344

ICE June Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

