

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Tuesday traded higher on some short covering following Monday's losses that were triggered by President Donald Trump's criticism of Federal Reserve Chair Jerome Powell as he stated that the U.S. economy could slow unless interest rates were lowered immediately. The May WTI contract opened at its low of \$63.43 and bounced higher, as the equities markets recovered from losses seen in the previous session. The oil market, which seemed to be losing steam as it traded just over the \$64.00 level, extended its gains further on news that the U.S. Treasury imposed sanctions against an Iranian liquefied petroleum gas and crude oil shipping magnate and his corporate network. The crude market posted a high of \$65.09 early in the afternoon and later settled in a sideways trading pattern ahead of the May contract's expiration at the close. The May WTI contract settled up \$1.23 at \$64.31 and the June WTI contract settled up \$1.26 at \$63.67. The June Brent contract settled up \$1.18 at \$67.44. The product markets ended the session higher, with the heating oil market settling up 3.97 cents at \$2.1486 and the RB market settling up 3.43 cents at \$2.0996.

Technical Analysis: The crude oil market on Wednesday will remain headline driven. The market will look for further developments on the U.S. and Iranian talks after the U.S. imposed further sanctions targeting Iranian oil ahead of their scheduled talks on Iran's nuclear program on Saturday. Meanwhile, the market will remain concerned over U.S. tariffs, as the U.S. continues its talks with several nations seeking to head off the tariffs. On Tuesday, the Trump administration said it expects the trade standoff with China to de-escalate in the near future, but cautioned a comprehensive deal could take longer. The oil market is seen finding resistance at its high of \$64.36, \$65.22 and \$66.41. Meanwhile, support is seen at \$63.95, \$63.72, \$63.34, \$62.72, \$61.76 and \$59.87.

Fundamental News: Chevron Corp's CEO, Mike Wirth, said the reaction to trade issues has led to the expectation of reduced oil demand.

The Treasury Department reported that the United States issued fresh Iran-related sanctions on Tuesday, amid ongoing talks between the two countries on Tehran's nuclear program.

The Joint Organizations Data Initiative reported that Saudi Arabia's crude output for February was at 8.947 million bpd, up from 8.917 million bpd in January. Its crude exports in February increased to 6.547 million bpd from 6.073 million bpd in January.

The International Monetary Fund cut its forecasts for growth in the United States, China and most countries, citing the impact of U.S. tariffs, and warning that further trade tensions would slow growth further. In its World Economic Outlook, the IMF cut its forecast for global growth by 0.5 percentage point to 2.8% for 2025 and by 0.3 percentage point to 3% from its January forecast that growth would reach 3.3% in both years. It said inflation was expected to decline more slowly than expected in January, given the impact of tariffs, reaching 4.3% in 2025 and 3.6% in 2026, with "notable" upward revisions for the U.S. and other advanced economies. The IMF said the swift escalation of trade tensions and "extremely high levels" of uncertainty about future policies would have a significant impact on global economic activity. The IMF cut its forecast for growth in global trade by 1.5 percentage point to 1.7%, half the growth seen in 2024, reflecting the accelerating fragmentation of the global economy.

Goldman Sachs said Brent crude prices will fall to the low \$60s/barrel by the end of the year even without a U.S. recession. The bank said Brent prices fell from high \$60s/barrel in early April due to a potential U.S.-Iran nuclear deal and broader economic concerns, including the Trump administration's pressure on the Federal Reserve. It also cited weaker than expected March petroleum demand in Europe and India and the resumption of oil supply following the restart of the Keystone Pipeline after a spill earlier this month. In addition, the bank pointed to lighter than expected draws on commercial oil stocks in OECD member countries and said disappointing oil demand in Europe. The bank, however, said a tight physical oil market should help to support crude prices.

Early Market Call - as of 8:40 AM EDT

WTI - Jun \$62.97, down 70 cents

RBOB - May \$2.0889, down 1.07 cents

HO - May \$2.1325, down 1.61 cents

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-25	\$2.1486	\$0.0397	\$0.0569
Jun-25	\$2.1034	\$0.0348	\$0.0554
Jul-25	\$2.0870	\$0.0329	\$0.0510
Aug-25	\$2.0864	\$0.0324	\$0.0509
Sep-25	\$2.0917	\$0.0322	\$0.0502
Oct-25	\$2.0983	\$0.0316	\$0.0496
Nov-25	\$2.1021	\$0.0317	\$0.0497
Dec-25	\$2.1040	\$0.0318	\$0.0506
Jan-26	\$2.1079	\$0.0313	\$0.0498
Feb-26	\$2.1057	\$0.0308	\$0.0486
Mar-26	\$2.0964	\$0.0302	\$0.0469
Apr-26	\$2.0827	\$0.0296	\$0.0458
May-26	\$2.0763	\$0.0290	\$0.0430
Jun-26	\$2.0735	\$0.0281	\$0.0397
Jul-26	\$2.0788	\$0.0276	\$0.0369
Aug-26	\$2.0851	\$0.0271	\$0.0348
Sep-26	\$2.0924	\$0.0268	\$0.0332

Sprague HeatCurve October 2025-April 2026			\$2.1015
		Close	Change
Crude - WTI	Jun Brent- WTI Spread \$3.77	\$63.6700	\$1.2600
Crude - Brent		\$67.4400	\$1.1800
Natural Gas		\$3.0070	-\$0.0090
Gasoline		\$2.0996	\$0.0343

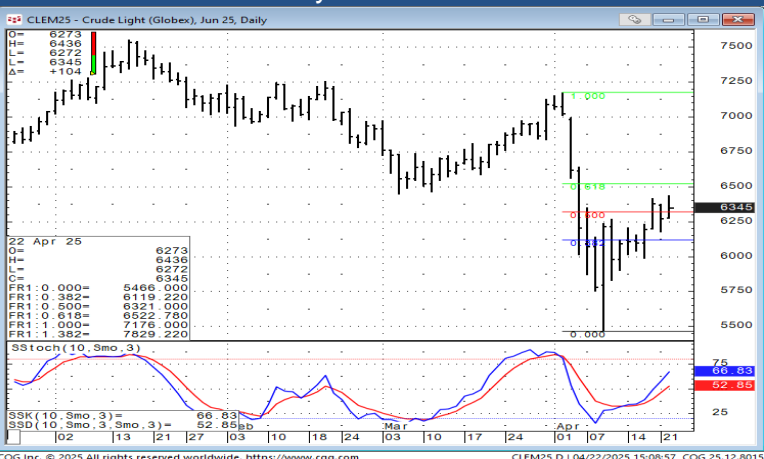
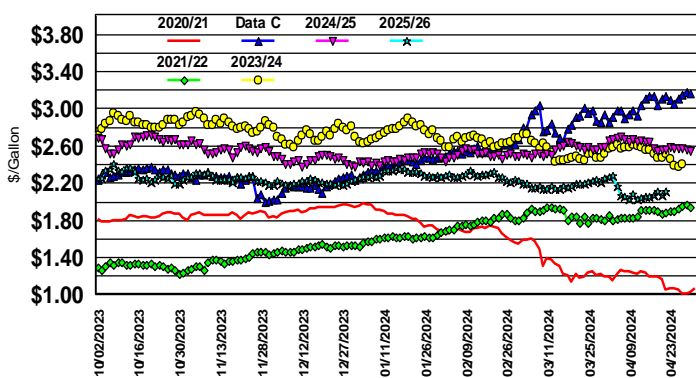
API Report for the Week Ending April 18, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 4.6 million barrels	Up 500,000 barrels
Gasoline Stocks	Down 2.2 million barrels	Down 1 million barrels
Distillate Stocks	Down 1.6 million barrels	Down 100,000 barrels
Refinery Runs		Up 0.3% at 86.6%

Sprague HeatCurve October-April

May WTI

Sprague HeatCurve October-April



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