

Market Commentary

Recap: The oil market on Wednesday posted an outside trading day as the market weighed President Donald Trump's softened tone on both China and the Federal Reserve and new sanctions imposed on Iran's oil sector against news that OPEC+ could accelerate its oil output increases next month and Kazakhstan's defiant tone regarding its increasing output. The oil market extended its previous gains after President Trump signaled the possibility of lower tariffs on Chinese imports. President Trump also stated that he is not planning to fire Fed Chair Jerome Powell after he previously criticized the Fed for not cutting interest rates. In overnight trading, the crude market breached its previous high and posted a high of \$64.87. However, the market erased its gains and sold off to a low of \$61.53 by mid-morning. The market was pressured after Kazakhstan's Energy Minister said his country will prioritize national interests over those of the OPEC+ producer group when deciding its oil output levels. The market sold off further as sources stated that OPEC+ would consider accelerating its oil output increases in June. The crude market later pared some of its sharp losses and settled in a sideways trading pattern following a report that Kazakhstan's Energy Minister said the country is meeting its obligations to OPEC+ and working with the cartel to find "mutually acceptable solutions" to its oil production management. The June WTI contract settled down \$1.40 at \$62.27 and the June Brent contract settled down \$1.32 at \$66.12. The product markets ended the session lower, with the heating oil market settling down 2.17 cents at \$2.1269 and the RB market settling down 1.57 cents at \$2.0839.

Technical Analysis: The crude market on Thursday will trend sideways following Wednesday's volatile trading session that remained headline driven. The market will look for further developments on the Trump administration's tariff policies following its de-escalating comments regarding tariffs on Chinese imports. The market will, however, remain pressured by an increasing likelihood of another accelerated voluntary OPEC+ production increase in June as the cartel continues its attempt to discipline over-producing members, namely Kazakhstan, by lowering oil prices. OPEC+ members are scheduled to meet on May 5th to decide their next move. The oil market is seen finding support at its low of \$61.53, \$60.00, \$59.87 and \$59.00. Resistance is seen at \$62.80, \$63.95, \$64.87, \$65.22 and \$66.41.

Fundamental News: Sources stated that several OPEC+ members will suggest that the group accelerate oil output increases for a second consecutive month in June. The sources said some members wanted to increase output by a similar volume to the May increase. Eight OPEC+ countries are scheduled to meet on May 5th to decide the June output plan.

Kazakhstan's Energy Minister Ertan Akkenzhenov said the country is fulfilling its OPEC+ obligations and is working with the group to find "mutually acceptable solutions" to its oil production management. He said the country will follow its national interest while also observing its international obligations. Earlier, Kazakhstan's Energy Minister Ertan Akkenzhenov said the country will prioritize national interests over those of the OPEC+ group when deciding on oil production levels. The minister said the country was unable to reduce oil production at its three large oil producing projects given they were controlled by foreign majors, especially at the Tengiz oilfield, led by U.S. oil major Chevron.

China said "our doors are wide open" for talks after President Donald Trump softened his tone on the unfolding trade war between the world's two largest economies.

According to a source, the Trump administration would look at lowering tariffs on imported Chinese goods pending talks with China. The source's comments followed a Wall Street Journal report that the White House is considering cutting its tariffs on Chinese imports in a bid to de-escalate tensions. The Wall Street Journal said, citing a White House official, that tariffs on Chinese goods could come down from the current level of 145% to between 50% and 65%.

Early Market Call - as of 8:15 AM EDT

WTI - Jun \$63.07, up 80 cents

RBOB - May \$2.0987, up 1.48 cents

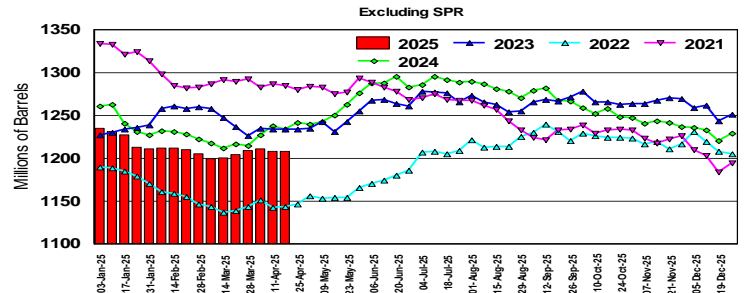
HO - Apr \$2.1427, up 1.58 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.1269	-0.0217	0.0115
May-25	2.0809	-0.0225	0.0112
Jun-25	2.0643	-0.0227	0.0098
Jul-25	2.0648	-0.0216	0.0118
Aug-25	2.0707	-0.0210	0.0127
Sep-25	2.0775	-0.0208	0.0128
Oct-25	2.0819	-0.0202	0.0135
Nov-25	2.0846	-0.0194	0.0145
Dec-25	2.0890	-0.0189	0.0144
Jan-26	2.0874	-0.0183	0.0142
Feb-26	2.0787	-0.0177	0.0138
Mar-26	2.0650	-0.0177	0.0133
Apr-26	2.0598	-0.0165	0.0142
May-26	2.0583	-0.0152	0.0147
Jun-26	2.0648	-0.0140	0.0144
Jul-26	2.0721	-0.0130	0.0136
Aug-26	2.0804	-0.0120	0.0131

Sprague HeatCurve October 2025-April 2026		\$2.0826
	Close	Change
Crude - WTI	\$62.2700	-\$1.4000
Crude - Brent	\$66.1200	-\$1.3200
Natural Gas	\$3.0220	\$0.0150
Gasoline	\$2.0839	-\$0.0157

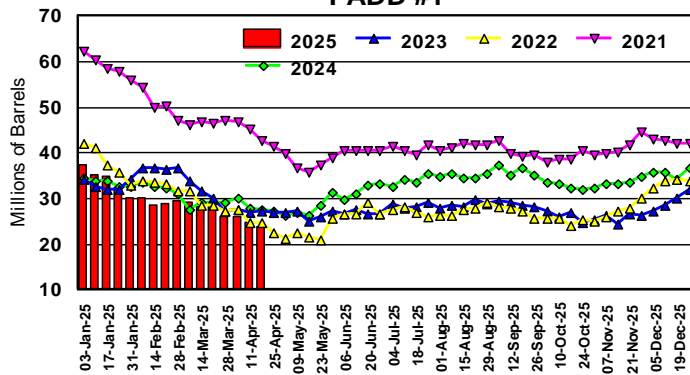
Total U.S. Oil Stocks



Weekly EIA Petroleum Status Report for the Week Ending April 18, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 244,000 barrels

Cushing, OK Crude Stocks Down 86,000 barrels

Gasoline Stocks Down 4.476 million barrels

Distillate Stocks Down 2.353 million barrels

Refinery % Operated 88.1%, up 1.8%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Apr. 18, 2025	Week Ending Apr. 11, 2024	Week Ending Apr. 18, 2024
New England	3.0	3.3	3.9
Central Atlantic	11.3	12.2	13.6
Total PADD #1	23.7	24.7	27.5
Distillate Imports (thousands b/d)	78	71	111