

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** On Friday, the oil market traded higher and posted a week gain of 4.5%. The market remained well supported by the geopolitical tensions in the Middle East after Iran vowed revenge against Israel earlier in the week for an attack that killed high ranking Iranian military personnel. While the market traded higher on the uncertainty surrounding the Iranian threat, the market's gains were limited early in the session as the March payrolls data surpassed expectations with 303,000 jobs added. The data seemed to temper Fed rate cut expectations and lifted the dollar. The crude market posted a low of \$86.32 in overnight trading and remained range bound early in the session. It later breached Thursday's high and continued on its upward trend, posting a high of \$87.63 ahead of the close. The May WTI contract settled up 32 cents at \$86.91, while the June Brent contract settled up 52 cents at \$91.17. The product markets were mixed, with the heating oil market settling up 3.17 cents at \$2.773 and the RB market settling down 56 points at \$2.7886.

**Technical Analysis:** The crude market will remain driven by news regarding intensifying tensions in the Middle East over the weekend amid the possibility of the conflict spreading following the Iranian threat of an attack on Israeli diplomats. While the market may see some retracement of its recent sharp gains, its losses will remain limited by the concerns over the conflict, tightening supply and expectations of supply growth as economies improve following some supportive reports. The oil market is seen finding resistance at its high of \$87.63, \$88.29 - \$88.33, the \$90.00 level and \$90.78. Meanwhile, support is seen at \$86.32, \$85.80, \$85.10, \$84.64 followed by \$83.85 and \$82.60.

**Fundamental News:** Israel said it approved the reopening of the Erez crossing into northern Gaza and the temporary use of Ashdod port in southern Israel, following U.S. demands to increase humanitarian aid supplies into Gaza. During a call with Israeli Prime Minister Benjamin Netanyahu on Thursday, U.S. President Joe Biden demanded "specific, concrete" steps to alleviate the humanitarian crisis in Gaza, saying conditions could be placed on U.S. aid if Israel did not respond. A meeting of the security cabinet late on Thursday approved immediate steps to increase humanitarian aid to the civilian population in the Gaza Strip. In addition to reopening the Erez crossing point, which has been closed since it was destroyed during the October 7<sup>th</sup> attack on Israel, the security cabinet also approved increasing Jordanian aid through the Kerem Shalom crossing point. The move was welcomed by U.S. Secretary of State Antony Blinken who said the impact of the move would have to be measured in an improved situation on the ground in Gaza, where aid agencies have warned of an increasing risk of famine. The decision to reopen the Erez crossing, the main crossing point from Israel into northern Gaza before the war, represented a major shift after Israeli officials previously rejected calls for more entry points into Gaza to be opened up. UNRWA, the main UN aid agency in Gaza, also welcomed the reopening of the crossings, but said Israel needs to do more.

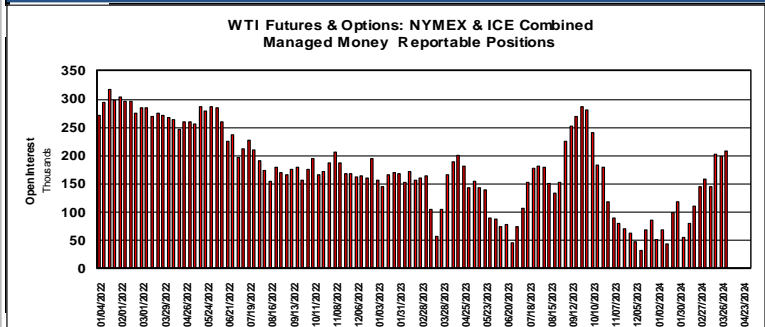
Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for a third consecutive week for the first time since October. The oil and gas rig count fell by one to 620 in the week ending April 5<sup>th</sup>, the lowest since early February. Baker Hughes said oil rigs increased by two to 508 this week, while gas rigs fell by two to 110, their lowest since January 2022.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.18 million bpd of capacity in the week ending April 5<sup>th</sup>, cutting available refining capacity by 79,000 bpd. Offline capacity is expected to fall to 721,000 bpd in the week ending April 12<sup>th</sup>.

**Early Market Call - as of 8:20 AM EDT**  
**WTI - May \$86.26, down 65 cents**  
**RBOB - May \$2.7609, down 2.77 cents**  
**HO - May \$2.7431, down 2.99 cents**

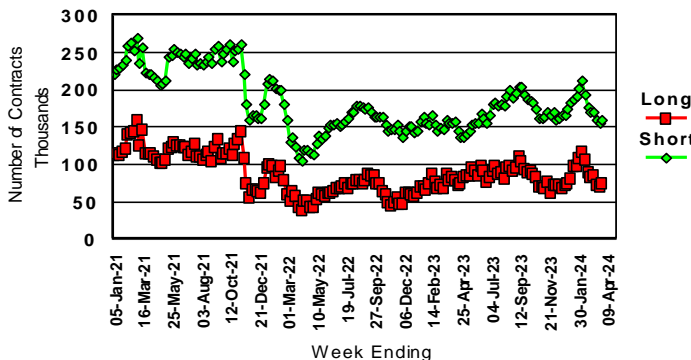
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.7730	0.0317	0.1503
Jun-24	2.7625	0.0282	0.1428
Jul-24	2.7534	0.0231	0.1349
Aug-24	2.7467	0.0202	0.1288
Sep-24	2.7451	0.0191	0.1262
Oct-24	2.7416	0.0178	0.1227
Nov-24	2.7321	0.0158	0.1184
Dec-24	2.7183	0.0156	0.1174
Jan-25	2.7067	0.0152	0.1167
Feb-25	2.6867	0.0139	0.1131
Mar-25	2.6586	0.0117	0.1066
Apr-25	2.6258	0.0096	0.1001
May-25	2.6020	0.0078	0.0923
Jun-25	2.5808	0.0062	0.0839
Jul-25	2.5645	0.0043	0.0766
Aug-25	2.5510	0.0029	0.0705
Sep-25	2.5410	0.0020	0.0651

Sprague HeatCurve October 2024-April 2025		\$2.6959
	Close	Change
Crude - WTI	\$86.1000	\$0.2900
Crude - Brent	\$91.1700	\$0.5200
Natural Gas	\$1.7850	\$0.0110
Gasoline	\$2.7886	-\$0.0056



## Commitment of Traders Report for the Week Ending April 2, 2024

**Producer/Merchant Heat Posits**  
CFTC Commitment of Traders Report



**Managed Money Heat Posits**  
CFTC Commitment of Traders Report

