

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market posted an inside trading day as it traded lower for a second day on Tuesday, amid continuing talks for a ceasefire in Gaza. While the talks in Egypt have so far failed to reach a breakthrough, Hamas said an Israeli proposal on a ceasefire met none of the demands of Palestinian militant factions but said it would study the offer further and deliver its response to mediators. The oil market continued to trend lower in overnight trading as it posted a low of \$85.09, holding support at its previous low of \$84.69. It bounced off its low and rallied to a high of \$86.98 by mid-morning. The market rallied higher as the commander of Iran's Revolutionary Guard's navy said it could close the Strait of Hormuz, if deemed necessary. However, as the market held resistance at its previous high of \$87.10 it erased most of its earlier move higher as it traded back towards the \$85.00 level. The May WTI contract settled down \$1.20 at \$85.23 and the June Brent contract settled down 96 cents at \$89.42. The product markets ended the session mixed, with the heating oil market settling down 5.17 cents at \$2.6770 and the RB market settling up 70 points at \$2.7556.

Technical Analysis: The crude market is seen continuing its sideways trading range ahead of the release of the weekly petroleum stocks reports, which are expected to show build of close to 3 million barrels in crude stocks. The market will also remain headline driven as it seeks further updates regarding a possible ceasefire between Israel and Hamas as talks continue. The market's losses will remain limited following the news that Iran's Revolutionary Guard's navy could close the Strait of Hormuz. The market is seen finding support at its low of \$85.09, \$84.69-\$84.64, \$83.97, \$83.85, \$83.10 and \$82.60. Resistance is seen at its high of \$86.98, \$87.10, \$87.63 followed by \$88.29-\$88.33, the \$90.00 level and \$90.78.

Fundamental News: In its Short Term Energy Outlook, the EIA cut its forecast for 2024 world oil demand growth by 480,000 bpd to 950,000 bpd on the year. It also cut its oil demand growth estimate for 2025 by 30,000 bpd to 1.35 million bpd. World oil demand is forecast to total 102.91 million bpd in 2024 and 104.26 million bpd in 2025. Total world oil output is forecast to increase by 850,000 bpd to 102.65 million bpd in 2024 and by 1.96 million bpd to 104.61 million bpd in 2025. OPEC oil output is expected to remain unchanged at 26.89 million bpd in 2024 and increase by 410,000 bpd to 27.3 million bpd in 2025. U.S. oil output is forecast to increase by 280,000 bpd to 13.21 million bpd in 2024 and by 510,000 bpd to 13.72 million bpd in 2025. Meanwhile, U.S. petroleum demand is expected to increase by 200,000 bpd to 20.45 million bpd in 2024 and by 110,000 bpd to 20.56 million bpd in 2025. U.S. gasoline demand is forecast to remain unchanged at 8.94 million bpd in 2024 and fall by 50,000 bpd to 8.89 million bpd in 2025, while U.S. distillate demand is expected to increase by 10,000 bpd to 3.94 million bpd in 2024 and by 30,000 bpd to 3.97 million bpd in 2025. The EIA expects Brent crude prices to average \$88.55/barrel in 2024, up from a previous estimate of \$87/barrel, while prices in 2025 are expected to average \$86.98/barrel, up from a previous forecast of \$84.80/barrel.

Israel's Prime Minister, Benjamin Netanyahu, said the country will complete the elimination of Hamas' brigades, including in the southern Gaza city of Rafah and added that nothing will prevent this.

Hamas said that an Israeli proposal on a ceasefire in their war in Gaza met none of the demands of Palestinian militant factions but it would study the offer further and deliver its response to mediators.

The commander of the Iranian Revolutionary Guards navy, Alireza Tangsiri, said Israel's presence in the UAE was a threat to Tehran and added that it could close the Strait of Hormuz if deemed necessary.

Early Market Call - as of 8:10 AM EDT

WTI - May \$85.86, up 63 cents
 RBOB - May \$2.7666, up 1.1 cents
 HO - May \$2.6997, up 2.27 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.6770	-0.0517	-0.0349
Jun-24	2.6759	-0.0458	-0.0291
Jul-24	2.6739	-0.0424	-0.0252
Aug-24	2.6729	-0.0400	-0.0209
Sep-24	2.6755	-0.0386	-0.0170
Oct-24	2.6751	-0.0374	-0.0163
Nov-24	2.6694	-0.0356	-0.0145
Dec-24	2.6586	-0.0342	-0.0107
Jan-25	2.6496	-0.0330	-0.0078
Feb-25	2.6327	-0.0312	-0.0064
Mar-25	2.6078	-0.0292	-0.0069
Apr-25	2.5775	-0.0280	-0.0084
May-25	2.5569	-0.0271	-0.0097
Jun-25	2.5391	-0.0264	-0.0105
Jul-25	2.5260	-0.0253	-0.0115
Aug-25	2.5154	-0.0244	-0.0120
Sep-25	2.5082	-0.0236	-0.0115

Sprague HeatCurve October 2024-April 2025			\$2.6393
		Close	Change
Crude - WTI	June Brent-WTI Spread \$4.96	\$84.4600	-\$1.0700
Crude - Brent		\$89.4200	-\$0.9600
Natural Gas		\$1.8720	\$0.0280
Gasoline		\$2.7556	\$0.0070

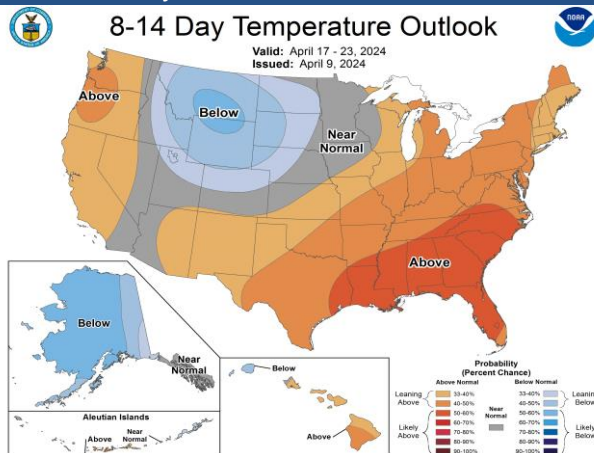
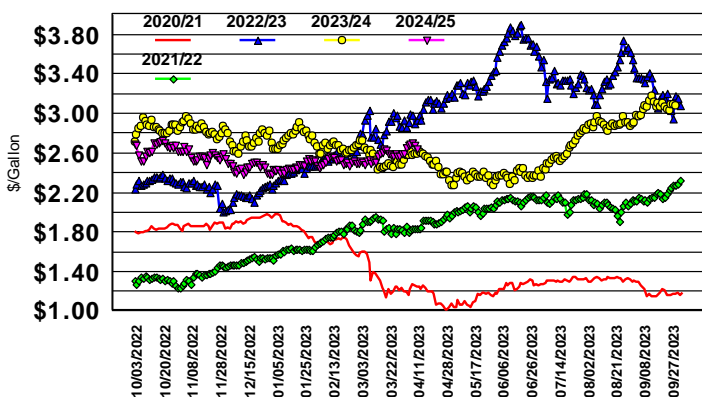
API Report for the Week Ending April 5, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 3.034 million barrels	Up 2.9 million barrels
Gasoline Stocks	Down 609,000 barrels	Down 1.4 million barrels
Distillate Stocks	Up 120,000 barrels	Down 1.4 million barrels
Refinery Runs		Unchanged, at 88.6%

Sprague HeatCurve October-April

8-14 Day Weather Forecast

Sprague HeatCurve October-April



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