

Market Commentary

Recap: The crude market on Monday retraced some of its previous gains amid the news that Israel was withdrawing more soldiers from Gaza and committing to talks on a potential ceasefire. On Sunday, Israel said it withdrew more soldiers from southern Gaza. The country has reduced troop numbers in Gaza since the start of the year and is under increasing pressure from allies to improve the humanitarian situation in Gaza. Meanwhile, ceasefire talks were revived as Israel and Hamas sent teams to Egypt for talks ahead of the Eid holidays, though a Hamas official on Monday said no progress was made at a new round of talks. The oil market gapped lower from \$86.32 to \$86.10 and sold off to a low of \$84.69 as the Israeli announcement reduced the geopolitical risk premium. The market, which retraced more than 38% of its move from a low of \$80.30 to a high of \$87.63, later bounced off of its low and backfilled its opening gap as it rallied to a high of \$87.10 early in the morning. However, the market once again erased its gains and settled in a sideways trading range during the remainder of the session. The May WTI settled down 48 cents at \$86.43, while the June Brent contract settled down 79 cents at \$90.38. The product markets ended the session in negative territory, with the heating oil market settling down 4.43 cents at \$2.7287 and the RB market settling down 4.00 cents at \$2.7486.

Technical Analysis: The oil market is seen trading sideways as the market awaits for news updates following the Israeli announcement and the renewed talks of a possible ceasefire. The market's losses will remain limited as the ceasefire talks were still deadlocked on Monday and talks were expected to resume in 48 hours. The market is seen finding support at its low of \$84.69-\$84.64, \$83.97, \$83.85, \$83.10 and \$82.60. Meanwhile, resistance is seen at its high of \$87.10, \$87.63, \$88.29-\$88.33, the \$90.00 level and \$90.78.

Fundamental News: On Sunday, Israel said it had withdrawn more soldiers from southern Gaza, leaving just one brigade, as it and Hamas sent teams to Egypt for new talks on a potential ceasefire. Israel has been reducing numbers in Gaza since the start of the year to relieve reservists and is under growing pressure from the U.S. to improve the humanitarian situation, especially after last week's killing of seven aid workers. A military spokesperson did not give details on reasons for withdrawing soldiers or numbers involved. However, Defense Minister, Yoav Gallant, said the troops will be preparing for future operations in Gaza. Both Israel and Hamas confirmed they were sending delegations to Egypt. Hamas wants any deal to bring about an end to the war and withdrawal of Israeli forces. Israeli Prime Minister Benjamin Netanyahu said there would be no deal without a hostage release and that he would not cave to international pressure. Later, Israel's Prime Minister said a date was set for an invasion of Rafah.

Goldman Sachs said Brent oil will stay below \$100/barrel in their base case because they assume already sold demand, no additional geopolitical supply hit and elevated spare capacity will lead OPEC+ to increase its production in the third quarter. It said geopolitical impediments to OPEC's ability or desire to deploy spare capacity could send Brent crude prices above \$100/barrel.

The head of commodities at hedge fund Citadel, Sebastian Barrack, said global oil markets are on track to be "extremely tight" in the second half, with prices increasing to a level that will eventually constrain demand if OPEC does not bring back more supply.

IIR Energy reported that U.S. oil refiners are expected to shut in about 932,000 bpd of capacity in the week ending April 12th, increasing available refining capacity by 348,000 bpd.

Early Market Call - as of 8:20 AM EDT

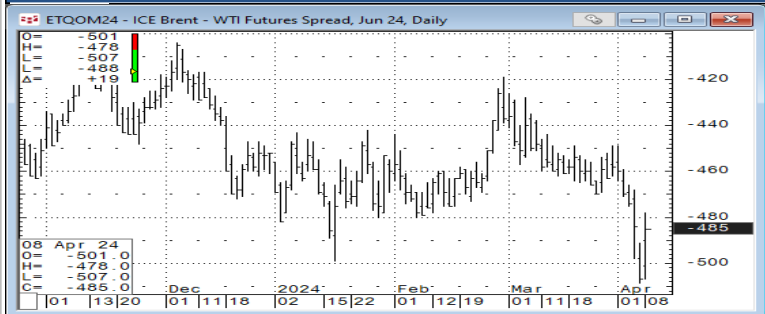
WTI - May \$86.30, down 13 cents
 RBOB - May \$2.7610, up 1.24 cents
 HO - May \$2.7334, up 47 points

All NYMEX | Prior Settlements

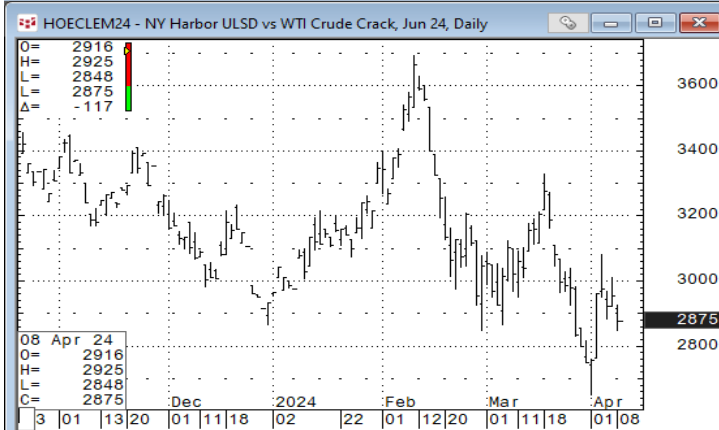
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.7287	-0.0443	0.1016
Jun-24	2.7217	-0.0408	0.0959
Jul-24	2.7163	-0.0371	0.0909
Aug-24	2.7129	-0.0338	0.0876
Sep-24	2.7141	-0.0310	0.0872
Oct-24	2.7125	-0.0291	0.0849
Nov-24	2.7050	-0.0271	0.0828
Dec-24	2.6928	-0.0255	0.0836
Jan-25	2.6826	-0.0241	0.0838
Feb-25	2.6639	-0.0228	0.0813
Mar-25	2.6370	-0.0216	0.0761
Apr-25	2.6055	-0.0203	0.0709
May-25	2.5840	-0.0180	0.0657
Jun-25	2.5655	-0.0153	0.0605
Jul-25	2.5513	-0.0132	0.0555
Aug-25	2.5398	-0.0112	0.0517
Sep-25	2.5318	-0.0092	0.0487

Sprague HeatCurve October 2024-April 2025			\$2.6718
		Close	Change
Crude - WTI	June Brent-WTI Spread \$4.85	\$85.5300	-\$0.3800
Crude - Brent		\$90.3800	-\$0.7900
Natural Gas		\$1.8440	-\$0.0590
Gasoline		\$2.7486	-\$0.0400

ICE June Brent-WTI Spread



June Heating Oil Crack Spread



June RBOB Crack Spread

