

## Market Commentary

**Recap:** The crude market on Monday traded higher as the Russian government ordered producers to cut output. The oil market, which posted an inside trading day on Friday, posted a low of \$80.59 on the opening and continued to retrace some of its previous losses. The market was well supported by the news that Russia ordered companies to cut their oil output in the second quarter to meet a production quota of 9 million bpd by the end of June. The recent attacks on Russian energy facilities and Ukrainian energy infrastructure and fading hopes of a ceasefire in Gaza have also helped support the market. The market rallied to a high of \$82.48 by mid-morning. However, the market erased some of its gains and traded in a sideways trading range during the remainder of the session. The May WTI contract settled up \$1.32 at \$81.95 and the May Brent contract settled up \$1.32 at \$86.75. The product markets ended the session in positive territory, with the heating oil market settling up 2.52 cents at \$2.6786 and the RB market settling up 86 points at \$2.7484.

**Technical Analysis:** The oil market will continue to trend sideways during the remainder of the shortened trading week. The market, which broke its three-day losing streak, remains supported by geopolitical risks as Russian and Ukrainian attacks on each other's energy facilities and Russian suggestions that Ukraine was involved in a deadly terrorist attack on Friday in a Moscow concert hall. Meanwhile, Israel canceled its high level meetings with the Biden administration after the U.S. abstained from voting in a U.N. resolution calling for a ceasefire, allowing the resolution to pass. The market is seen finding resistance at its high of \$82.48, \$82.65, \$83.12 and \$83.87. Meanwhile, support is seen at its lows of \$80.59, \$80.42 and \$80.30 followed by \$80.01, \$79.78, \$79.15 and \$78.99.

**Fundamental News:** Goldman Sachs said "Brent prices modestly overshot fundamentals and are likely to consolidate for now at the top end of \$70-\$90 range."

The White House said it was very disappointed that Prime Minister Benjamin Netanyahu had canceled a high level Israeli delegation's planned visit to Washington after the U.S. abstained from a U.N. vote demanding an immediate ceasefire in Gaza. White House spokesperson, John Kirby, said senior U.S. officials would still meet for separate talks with Israeli Defense Minister Yoav Gallant on issues including hostages, humanitarian aid and protecting civilians in the southern Gaza town of Rafah.

A Houthi spokesperson said Houthis have threatened to target Saudi Arabia's oil installations should the country allow a U.S.-led coalition to use its airspace to counter the group's attacks. The U.S. formed a coalition with Australia, Bahrain, Canada, Denmark, the Netherlands and New Zealand to counter Houthi attacks in the region and safeguard commercial shipping routes. Saudi Arabia has not made a commitment to joining the coalition and has so far avoided making any statements that could provoke the Houthis.

Three industry sources said Russia's government has ordered companies to reduce oil output in the second quarter to ensure they meet a production target of 9 million bpd by the end of June in line with its pledges to OPEC+.

IIR Energy reported U.S. oil refiners are expected to shut in about 809,000 bpd of capacity in the week ending March 29<sup>th</sup>, marking an increase in available refining capacity of 8,000 bpd. Offline capacity is expected to increase to 882,000 bpd in the week ending April 5<sup>th</sup>.

**Early Market Call - as of 9:50 AM EDT**

WTI - May \$81.78, down 17 cents

RBOB - April \$2.7206, down 2.78 cents

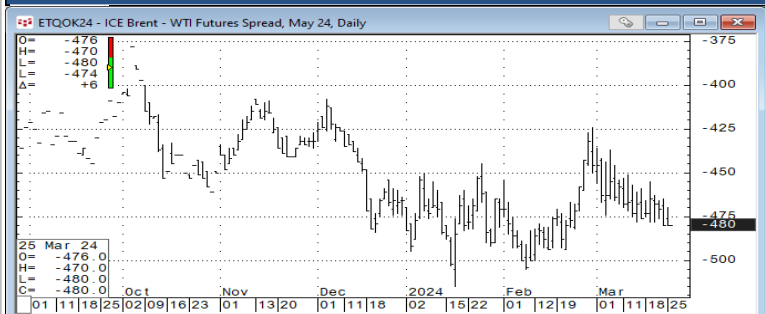
HO - April \$2.6429, down 3.57 cents

## All NYMEX | Prior Settlements

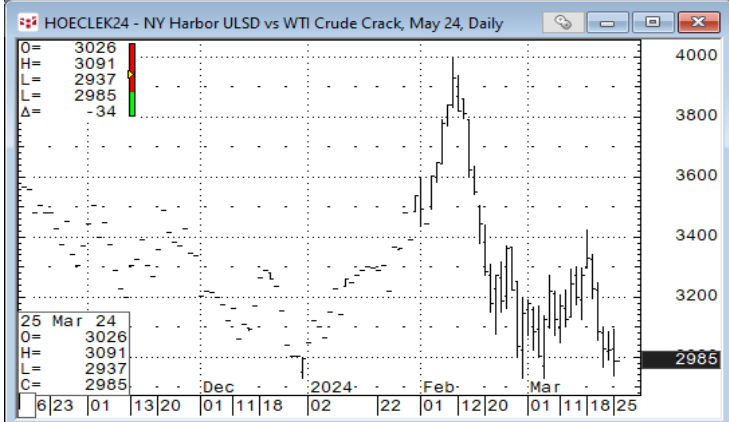
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.6786	0.0252	-0.1096
May-24	2.6642	0.0257	-0.0975
Jun-24	2.6467	0.0280	-0.0853
Jul-24	2.6375	0.0293	-0.0758
Aug-24	2.6327	0.0295	-0.0686
Sep-24	2.6320	0.0290	-0.0645
Oct-24	2.6294	0.0279	-0.0617
Nov-24	2.6207	0.0278	-0.0587
Dec-24	2.6046	0.0279	-0.0560
Jan-25	2.5917	0.0274	-0.0539
Feb-25	2.5746	0.0263	-0.0523
Mar-25	2.5532	0.0259	-0.0510
Apr-25	2.5266	0.0253	-0.0482
May-25	2.5079	0.0252	-0.0428
Jun-25	2.4925	0.0256	-0.0368
Jul-25	2.4815	0.0258	-0.0336
Aug-25	2.4725	0.0255	-0.0315

Sprague HeatCurve October 2024-April 2025			\$2.5851
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.80	\$81.9500	\$1.3200
Crude - Brent		\$86.7500	\$1.3200
Natural Gas		\$1.6150	-\$0.0440
Gasoline		\$2.7484	\$0.0086

### ICE May Brent-WTI Spread



## May Heating Oil Crack Spread



## May RBOB Crack Spread

