

## Market Commentary

**Recap:** The oil market posted an inside trading day on Monday as the May WTI contract expired at the close. The market's Middle East political risk premium dissipated as tensions have not impacted supply. The market shrugged off news over the weekend of a blast at an Iraqi military base on Saturday that killed a member of security force that included Iran-backed groups. The crude market opened about 9 cents lower at \$83.05 and quickly traded to \$83.26. However, the market continued to trend lower and posted a low of \$81.85 in overnight trading. The market later bounced off its low and traded sideways before further buying pushed the market to a high of \$83.35 by mid-day. The oil market later erased some of its gains ahead of the close. The May WTI contract went off the board down 29 cents at \$82.85, while the June contract settled down 32 cents at \$81.90. The product markets ended the session in mixed territory, with the heating oil market settling up 1.91 cents at \$2.5604 and the RB market settling down 2.49 cents at \$2.6854.

**Technical Analysis:** The crude market on Tuesday on the heels of fading geopolitical risk, is seen trading sideways as the market turns its focus to supply and demand fundamentals ahead of the release of the weekly petroleum stocks reports. The oil market is seen finding support at its low of \$80.70 followed by \$79.99, \$79.91 and \$79.51. Meanwhile, resistance is seen at \$82.29, \$83.10, \$83.84, \$84.57 and \$85.64.

**Fundamental News:** On Saturday, a blast at an Iraqi military base killed a member of a security force that includes Iran-backed groups. The force commander said it was an attack while the army said it was investigating and there were no warplanes in the sky at the time.

On Sunday, Iran-backed Lebanese group Hezbollah said it downed an Israeli drone that was on a combat mission in southern Lebanon.

Russia said that U.S., British and French military support for Ukraine has pushed the world to the brink of a direct military clash between the world's biggest nuclear powers that could end in catastrophe. Just two days after U.S. lawmakers approved billions of dollars in additional military aid to Ukraine, Russia's Foreign Minister, Sergei Lavrov, said the United States and NATO were obsessed with the idea of inflicting "strategic defeat" on Russia. He said Western support for Ukraine was putting the United States and its allies on the verge of a direct military clash with Russia.

Meanwhile, Kremlin spokesman, Dmitry Peskov, said that the Russian military will analyze any move by Poland to host U.S. nuclear weapons. Polish President Andrzej Duda was quoted by the Fakt newspaper as saying that Poland was ready to talk to the United States about hosting nuclear weapons to strengthen NATO's eastern flank.

UBS said it expects the price of Brent to increase to \$91/barrel by mid-year. It stated that "With oil demand rising seasonally, we continue to see the oil market as being undersupplied."

IIR Energy reported that U.S. oil refiners are expected to shut in about 1 million bpd of capacity in the week ending April 26<sup>th</sup>, increasing available refining capacity by 464,000 bpd. Offline capacity is expected to fall to 675,000 bpd in the week ending May 3<sup>rd</sup>.

**Early Market Call - as of 8:20 AM EDT**

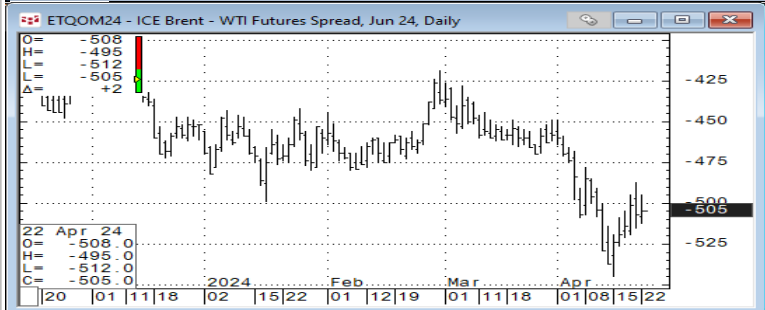
**WTI - June \$81.17, down 73 cents**  
**RBOB - May \$2.6559, down 2.95 cents**  
**HO - May \$2.5344, down 2.6 cents**

## All NYMEX | Prior Settlements

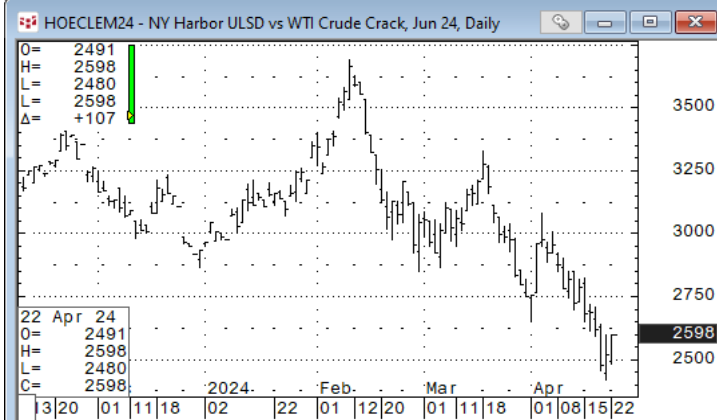
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.5604	0.0191	-0.0938
Jun-24	2.5679	0.0173	-0.0901
Jul-24	2.5743	0.0157	-0.0871
Aug-24	2.5802	0.0142	-0.0842
Sep-24	2.5850	0.0134	-0.0830
Oct-24	2.5882	0.0129	-0.0799
Nov-24	2.5841	0.0121	-0.0787
Dec-24	2.5741	0.0110	-0.0781
Jan-25	2.5681	0.0099	-0.0775
Feb-25	2.5540	0.0084	-0.0787
Mar-25	2.5338	0.0075	-0.0788
Apr-25	2.5080	0.0063	-0.0791
May-25	2.4904	0.0054	-0.0808
Jun-25	2.4752	0.0041	-0.0816
Jul-25	2.4657	0.0036	-0.0805
Aug-25	2.4586	0.0034	-0.0783
Sep-25	2.4545	0.0038	-0.0755

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	June Brent- WTI Spread	\$81.9000	-\$0.3200
Crude - Brent	WTI Spread	\$87.0000	-\$0.2900
Natural Gas	\$5.10	\$1.7910	\$0.0390
Gasoline		\$2.6854	-\$0.0249

### ICE June Brent-WTI Spread



## June Heating Oil Crack Spread



## June RBOB Crack Spread

