

## Market Commentary

**Recap:** The oil market on Tuesday traded higher and retraced some of its previous losses amid some supportive economic data out of Europe and a fall in the U.S. dollar index to its lowest in over a week. The crude market traded higher in overnight trading as it rallied to \$83.01. The market was well supported by data showing that overall business activity in the euro zone expanded at its fastest pace in nearly a year in April. The market also weighed the potential fallout from any new U.S. sanctions on Iranian crude exports, targeting ships, ports and refineries that handle Iranian oil. The market erased some of its early gains and posted a low of \$80.88. However, the crude market bounced off its low and retraced more than 38% of its move from a high of \$86.97 to a low of \$80.70 as it rallied to a high of \$83.43 ahead of the close. The June WTI, on its first session as the spot contract, settled up \$1.46 at \$83.36 and the June Brent contract settled up \$1.42 at \$88.42. The product markets ended the session higher, with the heating oil market settling up 1.88 cents at \$2.5792 and the RB market settling up 3.99 cents at \$2.7253.

**Technical Analysis:** The crude market on Wednesday will be driven by the weekly petroleum stocks reports, which are expected to show a build in crude stocks of close to 2 million barrels and draws in product stocks. The market is seen trading in its recent trading range from around \$80-\$87. The oil market is seen finding support at its low of \$81.13, \$80.70, followed by \$79.99, \$79.91 and \$79.51. Meanwhile, upside is seen at \$83.43, \$83.84, \$84.57, \$85.64 and \$86.97.

**Fundamental News:** Goldman Sachs said it expects further moderation in the still elevated geopolitical risk premium of \$5-10/barrel for crude oil in the coming months and maintained its range-bound view, with a \$90/barrel ceiling on Brent.

According to a report by Norwegian risk assessment firm DNV, oil demand in China's road sector is expected to decrease by 94% by 2050, a faster transition than that predicted by China's oil majors, which forecast gasoline demand halving by 2045. DNV said total oil consumption will halve by 2050 from its 2027 peak, with 84% of that still being met by imports. However, oil's share of aviation energy demand will fall from 99.6% in 2022 to 59% in 2050 as the use of alternatives such as bioenergy and e-fuels takes hold.

Sources stated that Venezuela's PDVSA plans to increase digital currency usage in its crude and fuel exports as the U.S. reimposes oil sanctions on the country.

Data provider Enverus said U.S. oil and gas deals reached a record \$51 billion in the first quarter, a continuation of last year's pace centered in the top U.S. shale field. Energy companies have rushed to expand oil and gas drilling inventories, especially in the Permian Basin of West Texas and New Mexico, where producer break-even costs are about \$64/barrel. Enverus calculates that the number of deals increased to 27 last quarter, compared with 20 in the same period a year ago and 60% of first quarter transactions by value were in the Permian.

A group of 22 states led by California and five cities are backing the U.S. Environmental Protection Agency's new tailpipe emissions rules after 25 Republican-led states sued last week. The lawsuit filed on Thursday challenges the 2027-2032 model year EPA vehicle emissions rules that aim to cut tailpipe emissions for cars and light trucks by nearly 50% over 2026 levels in 2032. California, New York, Michigan, Pennsylvania and other states sought to intervene in the lawsuit saying they could be harmed if the EPA could not require future reductions in harmful vehicle emissions.

**Early Market Call - as of 8:40 AM EDT**

WTI - June \$83.12, down 24 cents  
 RBOB - May \$2.7227, down 26 points  
 HO - May \$2.5645, down 1.47 cents

## All NYMEX | Prior Settlements

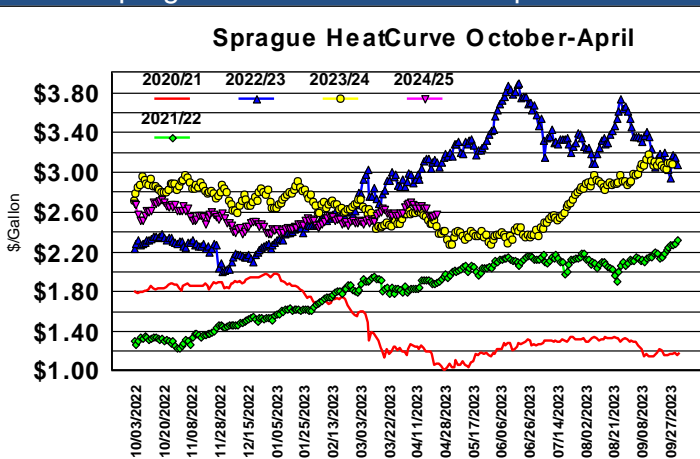
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.5792	0.0188	-0.0721
Jun-24	2.5860	0.0181	-0.0718
Jul-24	2.5927	0.0184	-0.0700
Aug-24	2.5990	0.0188	-0.0673
Sep-24	2.6043	0.0193	-0.0646
Oct-24	2.6078	0.0196	-0.0602
Nov-24	2.6036	0.0195	-0.0589
Dec-24	2.5931	0.0190	-0.0589
Jan-25	2.5869	0.0188	-0.0585
Feb-25	2.5729	0.0189	-0.0600
Mar-25	2.5526	0.0188	-0.0608
Apr-25	2.5267	0.0187	-0.0616
May-25	2.5091	0.0187	-0.0631
Jun-25	2.4942	0.0190	-0.0632
Jul-25	2.4848	0.0191	-0.0622
Aug-25	2.4777	0.0191	-0.0603
Sep-25	2.4734	0.0189	-0.0580

Sprague HeatCurve October 2024-April 2025			\$2.5782
		Close	Change
Crude - WTI	June Brent-WTI Spread \$5.06	\$83.3600	\$1.4600
Crude - Brent		\$88.4200	\$1.4200
Natural Gas		\$1.8120	\$0.0210
Gasoline		\$2.7253	\$0.0399

### API Report for the Week Ending April 19, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 3.237 million barrels	Up 1.8 million barrels
Gasoline Stocks	Down 595,000 barrels	Down 1.4 million barrels
Distillate Stocks	Up 724,000 barrels	Down 900,000 barrels
Refinery Runs		Up 0.5% at 88.6%

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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