

Market Commentary

Recap: The oil market on Monday rallied higher as Houthi rebel attacks increased concerns of disruptions to supply. The U.S. Central Command said Houthi rebels in Yemen narrowly missed hitting a U.S.-flagged tanker on Saturday. The Houthi fired a missile that likely targeted the Torm Thor in the Gulf of Aden on Saturday but missed the U.S.-flagged oil tanker. In overnight trading, the market sold off to a low of \$75.84 after talks on the Gaza-Israel ceasefire appeared to progress. On Sunday, White House national security adviser Jake Sullivan said negotiators for the United States, Egypt, Qatar and Israel had agreed on the basic contours of a hostage deal during talks in Paris but added that they are still in negotiations. However, the market bounced off its low and retraced most of its previous losses as it rallied over \$1.50 to a high of \$78.03 in afternoon trading on the possible shipping disruptions in light of the attack on a U.S.-flagged tanker over the weekend. The April WTI contract later erased some of its gains and settled up \$1.09 at \$77.58. The April Brent contract settled up 91 cents at \$82.53. Meanwhile, the product markets ended the session higher as well, with the heating oil market settling up 7.3 cents at \$2.7627 and the RB market settling up 2.89 cents at \$2.3056.

Technical Analysis: The crude market continues to trade in a sideways trading range from around \$73.00 to \$79.00 as the market continues to weigh the economic news against the continuing conflict in the Middle East, with escalating attacks on vessels by Houthi rebels. The market will look to the weekly petroleum stocks reports for further direction. It is seen finding resistance at its highs of \$78.03, \$78.39, \$78.92, \$79.09 and \$79.36. Meanwhile, support is seen at \$75.84, \$75.52-\$75.49, followed by \$75.21 and \$74.33.

Fundamental News: The U.S. Department of Energy said it was soliciting up to 3 million barrels of sour crude oil for delivery in August 2024.

Israeli troops and Palestinian gunmen clashed throughout the Gaza Strip over the weekend, as mediators held talks on a possible ceasefire to free hostages held by Hamas and bring a measure of Ramadan respite to the enclave. However, prospects for securing any truce looked uncertain, with Israel saying it was planning to expand its sweep to destroy Hamas, while the Islamist faction stood firm on its demand for a permanent end to the nearly five month old war. Israeli Prime Minister Benjamin Netanyahu told CBS' "Face the Nation" it was not clear yet whether a hostage deal would materialize from the talks, declining to discuss specifics but saying Hamas needed to make more reasonable demands. Senior Hamas official Sami Abu Zuhri said Netanyahu's comments cast doubt over Israel's willingness to secure a deal. Meanwhile, White House national security adviser Jake Sullivan said that negotiators for the United States, Egypt, Qatar and Israel "came to an understanding" on the basic contours of a hostage deal during talks in Paris. He said that the deal is still under negotiation and added there will have to be indirect discussions by Qatar and Egypt with Hamas.

The U.S. Central Command said Yemen's Houthis fired a missile that likely targeted the Torm Thor in the Gulf of Aden on Saturday but missed the U.S.-flagged oil tanker. In the latest attack, the missile impacted the water causing no damage nor injuries. On Sunday, the Iran-aligned group said that they had launched an attack on the tanker. The Torm Thor is being used as part of the U.S. government's Tanker Security Program, which has aimed to increase oil shipping options for its armed forces in times of crisis. CENTCOM said the U.S. military also shot down in "self-defense" two one-way unmanned aerial attack vehicles over the southern Red Sea on Sunday.

The U.S. has taken the top spot as Europe's supplier of crude oil, diesel and liquefied natural gas in recent months. According to Kpler data, the U.S. shipped 2.17 million bpd of crude oil to Europe so far this month. Exports of diesel stood at 207,000 bpd in the same period, outpacing Saudi imports of about 201,000 bpd. No LNG cargoes are currently in the Red Sea.

Early Market Call - as of 9:00 AM EDT

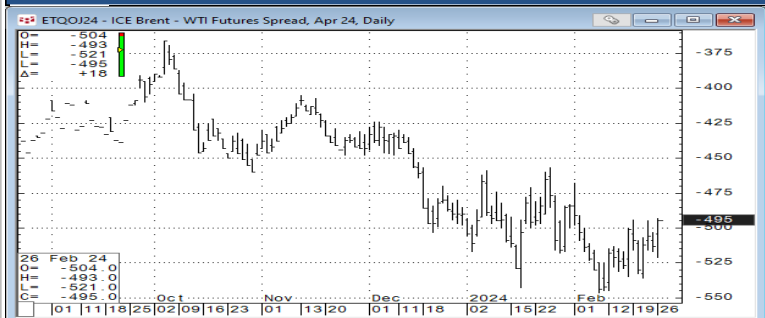
WTI - April \$77.53, down 5 cents
 RBOB - March \$2.3161, up 1.05 cents
 HO - March \$2.7493, down 1.34 cents

All NYMEX | Prior Settlements

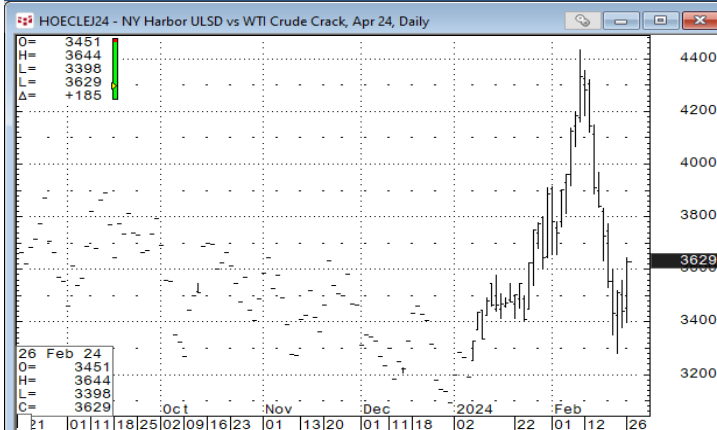
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-24	2.7627	0.0730	0.0312
May-24	2.7073	0.0662	0.0286
Jun-24	2.6323	0.0593	0.0265
Jul-24	2.5851	0.0524	0.0292
Aug-24	2.5642	0.0475	0.0274
Sep-24	2.5529	0.0445	0.0269
Oct-24	2.5506	0.0431	0.0265
Nov-24	2.5471	0.0421	0.0248
Dec-24	2.5371	0.0412	0.0229
Jan-25	2.5208	0.0407	0.0219
Feb-25	2.5074	0.0396	0.0208
Mar-25	2.4914	0.0388	0.0213
Apr-25	2.4720	0.0382	0.0234
May-25	2.4457	0.0370	0.0239
Jun-25	2.4273	0.0367	0.0238
Jul-25	2.4106	0.0352	0.0227
Aug-25	2.4004	0.0336	0.0224

Sprague HeatCurve October 2024-April 2025			\$2.5021
		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$4.95	\$77.5800	\$1.0900
Crude - Brent		\$82.5300	\$0.9100
Natural Gas		\$1.6590	\$0.0560
Gasoline		\$2.3056	\$0.0289

ICE April Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

