

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market ended the session higher after Israel confirmed that there was no ceasefire agreement with Hamas. The crude market traded mostly sideways in overnight trading as it retraced some of Friday's losses after Saudi Arabia signaled confidence in demand by increasing its prices for Asia and Israel's moves in the Gaza Strip. Saudi Aramco increased its official selling prices of all its grades bound for Asia for June. The market was also well supported by the news that Israel's military had started moving civilians out of Rafah, a possible prelude to an assault in the southern Gaza Strip. The oil market traded to a high of \$79.09 early the morning amid the supportive news. The market later gave up some of its gains and settled in a sideways trading range before it sold off sharply to a low of \$77.91 early in the afternoon on news that Hamas agreed to a ceasefire, reducing the geopolitical premium. However, the market bounced off its low and retraced its earlier losses on the news that an Israeli official said no ceasefire had been agreed to in Gaza. The June WTI contract settled up 37 cents at \$78.48 and the July Brent contract settled up 37 cents at \$83.33. The product markets ended the session in positive territory, with the heating oil market settling up 1.8 cents at \$2.4614 and the RB market settling up 3.31 cents at \$2.5882.

Technical Analysis: The crude market on Tuesday will likely trade sideways as it holds its support amid the return of the Middle East risk premium, with Israel preparing for a military offensive in Rafah and Israel stating that no ceasefire agreement had been signed with Hamas. The market is seen finding support at its low of \$77.91, \$77.39, \$76.98, \$76.67, \$76.07 and \$75.10. Meanwhile, resistance is seen at \$79.09, \$79.63, \$79.90, \$80.10, \$81.57, \$82.39 and \$82.95. Further upside is seen at \$83.30 and \$83.46.

Fundamental News: Militant group Hamas on Monday agreed to a ceasefire proposal in the seven-month-old war with Israel in Gaza, hours after the Israeli military told residents to evacuate some parts of Rafah. Hamas chief Ismail Haniyeh informed Qatari and Egyptian mediators that the group accepted their ceasefire proposal. The agreement, should it take effect, would be the first truce since a week-long pause in the fighting in November, and follows months of failed attempts at pausing the fighting to free hostages and allow more aid into Gaza. However, in response an Israeli official said no ceasefire had been agreed in Gaza. The Israeli official said the proposal that Hamas accepted was a "softened" version of an Egyptian proposal, which included "far-reaching" conclusions that Israel could not accept.

Earlier, Israel urged Palestinians to evacuate parts of the Gaza city of Rafah in possible preparation for an assault on Hamas units. Israeli Defense Minister, Yoav Gallant, said Israeli military action in Rafah is required due to Hamas' refusals of mediated proposals for a Gaza truce under which the Palestinian Islamist group would free some hostages. On Sunday, prospects for a Gaza ceasefire were dissipating as Hamas reiterated its demand for an end to the war in exchange for the freeing of hostages, and Israeli Prime Minister Benjamin Netanyahu flatly ruled that out.

IIR Energy reported that U.S. oil refiners are expected to shut in about 724,000 bpd of capacity in the week ending May 10th, increasing available refining capacity by 289,000 bpd. Offline capacity is expected to fall to 545,000 bpd in the week ending May 17th.

Alaskan North Slope oil production in April averaged 475,165 b/d, down from the 479,462 b/d produced in March and from the average 480,462 b/d produced in April 2023.

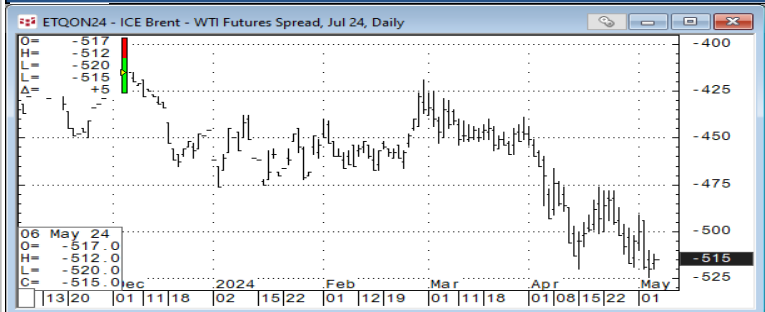
Early Market Call - as of 8:20 AM EDT

WTI - June \$78.27, down 20 cents
 RBOB - June \$2.5661, down 2.21 cents
 HO - June \$2.4530, down 84 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-24	2.4614	0.0180	-0.0846
Jul-24	2.4739	0.0169	-0.0823
Aug-24	2.4871	0.0163	-0.0777
Sep-24	2.5001	0.0162	-0.0723
Oct-24	2.5093	0.0163	-0.0694
Nov-24	2.5103	0.0162	-0.0678
Dec-24	2.5064	0.0160	-0.0652
Jan-25	2.5066	0.0157	-0.0612
Feb-25	2.4996	0.0160	-0.0570
Mar-25	2.4850	0.0162	-0.0542
Apr-25	2.4660	0.0168	-0.0499
May-25	2.4551	0.0179	-0.0451
Jun-25	2.4474	0.0185	-0.0391
Jul-25	2.4434	0.0191	-0.0345
Aug-25	2.4403	0.0192	-0.0308
Sep-25	2.4386	0.0190	-0.0282
Oct-25	2.4363	0.0185	-0.0262

Sprague HeatCurve October 2024-April 2025			\$2.4990
		Close	Change
Crude - WTI	July Brent-WTI Spread \$5.19	\$78.1400	\$0.3800
Crude - Brent		\$83.3300	\$0.3700
Natural Gas		\$2.1950	\$0.0530
Gasoline		\$2.5882	\$0.0331

July ICE Brent-WTI Spread



June Heating Oil Crack Spread

June RBOB Crack Spread

