



MarketWatch | Refined Products

Tuesday, April 11, 2017

Market Commentary

Recap: Both WTI and Brent traded within an extremely tight range throughout most of the session, only to rise to a new session high prior to the settlement period. May WTI rose back above the \$53 mark, to settle at \$53.08, up 84 cents, or 1.61%. Brent for June delivery rose 74 cents, or 1.34%, to settle at \$55.98.

Oil futures rose for the fifth straight session, with the May futures closing in on its 200-day moving average, which is currently set at \$53.21. Just beyond this average, is the upper trend line on the ascending channel that has been forming on a daily bar chart. For tomorrow's session, this line is set at \$53.80, making this the near term target. Support rests at \$52.80, and below that at \$52.30.

May RBOB finished up 1.2 cents, or 0.7%, to \$1.758 a gallon, while May heating oil added 1.9 cents, or 1.2%, to \$1.647 a gallon.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, April 7th increased by 129,875 barrels on the week and by 247,855 barrels from Tuesday, April 4th to 71,460,905 barrels.

Libya's state owned National Oil Corp declared force majeure on loadings of Sharara crude oil from the Zawiya oil terminal on Monday. The Sharara oil field was shut down on Sunday afternoon after an unknown group blocked a pipeline linking it to the Zawiya oil terminal. The oil field had been only back in operation for slightly more than a week after being shut down in late March. Sharara's crude oil production had been running at 213,000 b/d before being shut down. The NOC had been hoping to boost output from the field to 270,000 b/d by the end of April.

Kuwait's oil minister said Monday that he sees "positive indications in the decline of global oil inventories and expects improvement in oil market in coming months." He also said he expects March compliance with the OPEC and non-OPEC production agreement will be shown to be "higher than previous couple of months".

Enterprise Product Partners announced it will build a new 571 mile pipeline to transport volumes of NGLs from the Permian basin to the company's NGL fractionation and storage complex in Mont Belvieu, Texas. The pipeline will have a 250,000 b/d capacity with the potential to be expanded to 600,000 b/d. The project is expected to be in service by 2Q2019.

Colonial Pipeline notified customers it was allocating space for Cycle 22 distillate shipments on Line 20.

Kazakhstan's Energy Minister, Kanat Bozumbayev, said the country will deliver on its promise to OPEC to cut its output by an average of 20,000 bpd in the first half of the year from the 1.7 million bpd it produced in November.

Iraq's Kirkuk oil fields have halted pumping for three days, according to North Oil Company. The halt in shipments from Kirkuk in north Iraq will not impact exports via Turkey's Ceyhan port because the terminal's storage contains enough oil for export for several days.

IIR estimated Monday that U.S. oil refiners are expected to have 763,000 b/d of capacity off line in the week ending April 14th, increasing the available refinery capacity by 177,000 b/d from the previous week.

Early Market Call - as of 9:00 AM EDT

WTI - May \$53.07, down 1 cent
 RBOB - May \$1.7533, down 48 points
 HO - May \$1.6464, down 11 points

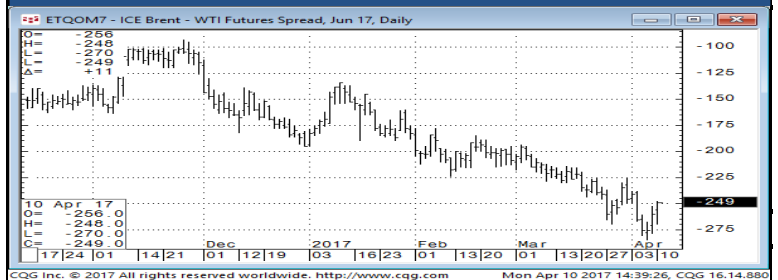
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-17	\$1.6473	\$0.0189	0.0839
Jun-17	\$1.6544	\$0.0200	0.0839
Jul-17	\$1.6620	\$0.0204	0.0833
Aug-17	\$1.6708	\$0.0210	0.0835
Sep-17	\$1.6813	\$0.0215	0.0831
Oct-17	\$1.6916	\$0.0216	0.0824
Nov-17	\$1.7012	\$0.0215	0.0820
Dec-17	\$1.7094	\$0.0216	0.0819
Jan-18	\$1.7180	\$0.0216	0.0822
Feb-18	\$1.7216	\$0.0215	0.0821
Mar-18	\$1.7189	\$0.0212	0.0815
Apr-18	\$1.7093	\$0.0210	0.0806
May-18	\$1.7009	\$0.0206	0.0793
Jun-18	\$1.6964	\$0.0203	0.0777
Jul-18	\$1.6966	\$0.0200	0.0765
Aug-18	\$1.6991	\$0.0197	0.0760

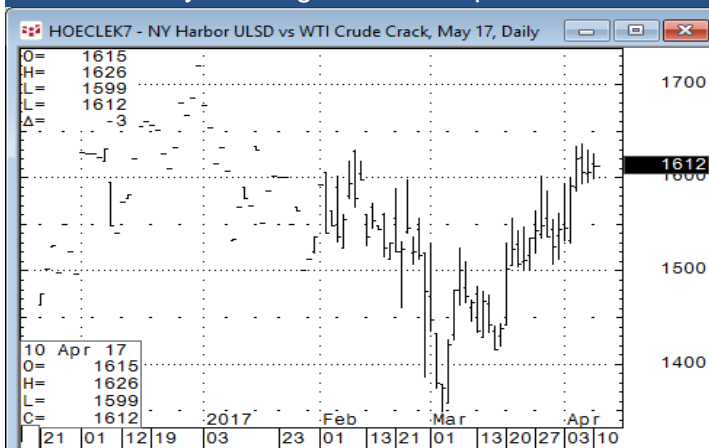
Sprague HeatCurve Oct 2017-April 2018* \$1.7127
 * Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$53.4800	\$0.8400
Crude - Brent	WTI Spread	\$55.9800	\$0.7400
Natural Gas	\$2.50	\$3.2380	-\$0.0230
Gasoline		\$1.7581	\$0.0119

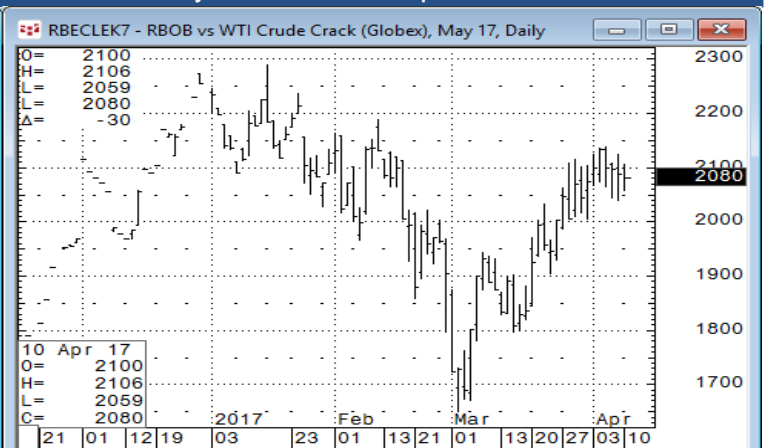
ICE June WTI-Brent Spread



May Heating Oil Crack Spread



May RBOB Crack Spread



CGG Inc. © 2017 All rights reserved worldwide Mon Apr 10 2017 14:40:58, CQG 16.14.880 CGG Inc. © 2017 All rights reserved worldwide Mon Apr 10 2017 14:41:14, CQG 16.14.880

This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.