

Market Commentary

Recap: Production outages in Libya and Canada gave early rise to oil futures; however, gains were limited, as traders awaited the release of the API and EIA report inventory report. May WTI traded 2 cents above its 200-day moving average of \$53.21, only to be met by resistance. The lack of follow through spurred profit taking on the long side, pushing prices to the lows of the day. By late afternoon, prices reverted back to the upside on reports that Saudi Arabia expressed wishes to extend the OPEC output cuts for another 6 months, and as geopolitical tensions heat up. New highs were achieved, with May WTI extending beyond the aforementioned 200-day moving average. May WTI settled toward the high of the day, finishing at \$53.43 a barrel, up 32 cents, or 0.60%. June Brent gained 25 cents, or 0.45%, to settle at \$56.23 a barrel.

May RBOB fell 1.8 cents, or 1.2%, to \$1.513 a gallon, while May heating oil lost 1.9 cents, or 1.4%, to \$1.29 a gallon.

Fundamental News: Bloomberg reported that crude stocks at Cushing, Oklahoma increased by 800,000 barrels in the week ending April 7th to 69.9 million barrels.

According to the EIA's Short-Term Energy Outlook, total world petroleum demand in 2017 is forecast to increase by 1.49 million bpd to 98.16 million bpd. Demand in 2018 is expected to increase by 1.63 million bpd to 99.79 million bpd. Meanwhile, total US oil demand in 2017 is expected to increase 250,000 bpd to 19.88 million bpd and by 340,000 bpd to 20.22 million bpd in 2018. The EIA estimated that US gasoline demand is expected to fall by 30,000 bpd to 9.3 million bpd in 2017 but increase by 40,000 bpd to 9.34 million bpd in 2018 while distillate demand is forecast to increase by 70,000 bpd to 3.95 million bpd in 2017 and by 120,000 bpd to 4.07 million bpd in 2018. US oil production is expected to increase by 350,000 bpd to 9.22 million bpd in 2017 and by 680,000 bpd to 9.9 million bpd in 2018.

Saudi Arabia cut its production to 9.9 million bpd in March from 10 million bpd in February.

Reuters reported that production from the 11 OPEC members with output targets under the deal averaged 29.757 million bpd in March.

Libya's oil production fell to 490,000 bpd after the Sharara field halted its output. Production fell from 703,000 bpd after the country's largest oil field stopped pumping for an undisclosed reason.

Kuwait's Oil Minister, Issam Almarzooq, said there are signs that global oil stocks are gradually declining.

Russia's Energy Minister, Alexander Novak, said the country's oil output cuts will reach 250,000 bpd by mid-April.

Total estimated export volume on Aframax, Suezmax and VLCCs from Iranian ports in March fell to 2.35 million bpd from 2.409 million bpd in February.

According to cFlow, S&P Global Platts trade flow software, just under 1,000,000 metric tons of distillates have departed from the US Gulf Coast for arrival in Europe in April.

According to Bloomberg, preliminary US waterborne crude imports fell by 1.2 million bpd to 3.7 million bpd in the week ending April 7th.

IHS reported that crude and refined product shipments from the US Gulf increased to 3.45 million metric tons on 85 ships in the week ending April 6th. It is up 11% from the previous week's 3.1 million metric tons on 75 ships.

Early Market Call - as of 9:00 AM EDT

WTI - May \$53.63, up 22 cents

RBOB - May \$1.7636, up 59 points

HO - May \$1.6633, up 1.28 cents

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-17	\$1.6506	\$0.0033	0.0583
Jun-17	\$1.6587	\$0.0043	0.0593
Jul-17	\$1.6671	\$0.0051	0.0592
Aug-17	\$1.6762	\$0.0054	0.0596
Sep-17	\$1.6870	\$0.0057	0.0596
Oct-17	\$1.6974	\$0.0058	0.0592
Nov-17	\$1.7072	\$0.0060	0.0593
Dec-17	\$1.7159	\$0.0065	0.0602
Jan-18	\$1.7247	\$0.0067	0.0608
Feb-18	\$1.7284	\$0.0068	0.0607
Mar-18	\$1.7258	\$0.0069	0.0602
Apr-18	\$1.7164	\$0.0071	0.0597
May-18	\$1.7083	\$0.0074	0.0590
Jun-18	\$1.7037	\$0.0073	0.0579
Jul-18	\$1.7039	\$0.0073	0.0571
Aug-18	\$1.7064	\$0.0073	0.0587

Sprague HeatCurve Oct 2017-April 2018* \$1.7193

* Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$53.7900	\$0.3100
Crude - Brent	WTI Spread	\$56.2300	\$0.2500
Natural Gas	\$2.44	\$3.1500	-\$0.0880
Gasoline		\$1.7577	-\$0.0004

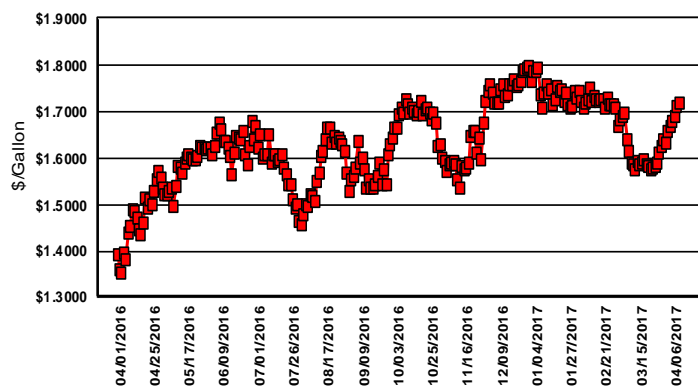
API Report for the Week Ending April 7, 2017

	Actual	Mkt Expectations
Crude Oil Stocks(excluding SPR)	Down 1.3 million barrels	Up 125,000/300,000 barrels
Cushing, OK Crude Stocks	Up 358,000 barrels	Up 100,000 barrels
Gasoline Stocks	Down 3.7 million barrels	Down 1.8 million barrels
Distillate Stocks	Down 1.6 million barrels	Down 900,000/1.3 million barrels
Refinery % Operated	Up 57,000 bpd	Up 0.4%

Sprague HeatCurve Winter 2017/18

Sprague HeatCurve October 2017 - April 2018

Degree Day Weighted



June WTI Crude

