

Market Commentary

Recap: Oil prices moved higher in early trading on Thursday, after the IEA reported a near balancing of global supply and demand for the oil market. However, gains were reversed after fresh data showed a steady climb in U.S. production and after the IEA cut its oil demand growth forecast for 2017 by 40,000 barrels per day. The agency also noted that its revised level of 1.3 million barrels per day may be too optimistic.

May WTI rose 7 cents, or 0.1%, to settle at \$53.18 a barrel, up 1.8% on the week. Brent for June delivery added 3 cents or less than 0.1%, to \$55.89 a barrel, up about 1.2% for the week.

May RBOB fell 0.4% to \$1.735 a gallon, while May heating oil declined 0.2% to \$1.650 a gallon.

Fundamental News: The IEA stated that global demand for oil is finally close to outstripping supply after nearly three years of surplus production, despite growth in the overhang of unused crude. The agency said oil stocks across the Organization for Economic Cooperation and Development fell by 17.2 million barrels in March. Over the first three months of the year, stocks were up 38.5 million barrels or 425,000 bpd following a large increase in January. Overall, OECD stocks fell by 8.1 million barrels in February to 3.055 billion barrels as demand outpaced supply by about 200,000 bpd between January and March. However, stocks are still 330 million barrels above the five year average. The IEA cut its forecast for global oil demand growth in 2017 by 40,000 bpd to 1.32 million bpd. In regards to supply, the IEA said global production fell by 755,000 bpd in March to 95.98 million bpd as OPEC and its partners complied with their joint deal to cut output by 1.8 million bpd in the first half of the year. For 2017, the IEA expects non-OPEC supply to increase by 485,000 bpd, above its previous estimate of 400,000 bpd, led by increases in US production growth.

Baker Hughes reported that the number of rigs searching for oil in the US increased by 11 to 683 in the week ending April 13th.

Nigeria's military said it destroyed 13 illegal refineries in the Niger Delta oil hub. Military authorities say there are hundreds of illegal refineries in the region, which process stolen crude from oil company pipelines.

Iraq's SOMO is expected to ship a total of 99.845 million barrels of Basrah Light and Heavy crude for May. Basrah Light shipments are expected to total 73.845 million barrels in May compared with 70.13 million barrels in April. Basrah Heavy crude shipments are expected to total 26 million barrels in May compared with 25 million barrels in April.

China's General Customs Administration reported that the country's crude imports increased to an all-time high in March to 38.95 million tons or 9.17 million bpd. This is compared with 8.286 million bpd in February and far exceeded an earlier record of 8.57 million bpd in December. The customs data also showed that refined fuel imports in March increased by 10.2% on the year to 2.7 million tons while exports increased nearly 25% to 4.67 million tons.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp hub in the week ending April 13th increased by 1.28% on the week but fell by 6.57% on the year to 1.109 million tons. Gasoil stocks fell by 5.95% on the week and by 15.02% on the year to 3.067 million tons while fuel oil stocks fell by 3.64% on the week but increased by 4.32% on the year to 1.112 million tons. Naphtha stocks fell by 27.54% on the week but increased by 93.86% on the year to 221,000 tons while jet fuel stocks fell by 0.58% on the week and by 12.13% on the year to 681,000 tons.

Early Market Call - as of 9:00 AM EDT

WTI - May \$53.15, down 3 cents
 RBOB - May \$1.7372, up 23 points
 HO - May \$1.6461, down 31 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-17	\$1.6495	(\$0.0025)	0.0366
Jun-17	\$1.6575	(\$0.0022)	0.0376
Jul-17	\$1.6662	(\$0.0018)	0.0378
Aug-17	\$1.6756	(\$0.0013)	0.0382
Sep-17	\$1.6868	(\$0.0009)	0.0389
Oct-17	\$1.6974	(\$0.0007)	0.0388
Nov-17	\$1.7073	(\$0.0006)	0.0387
Dec-17	\$1.7163	(\$0.0004)	0.0395
Jan-18	\$1.7253	(\$0.0001)	0.0400
Feb-18	\$1.7293	\$0.0001	0.0402
Mar-18	\$1.7269	\$0.0003	0.0401
Apr-18	\$1.7174	\$0.0002	0.0399
May-18	\$1.7101	\$0.0004	0.0406
Jun-18	\$1.7056	\$0.0006	0.0405
Jul-18	\$1.7057	\$0.0004	0.0401
Aug-18	\$1.7084	\$0.0004	0.0400

Sprague HeatCurve Oct 2017-April 2018* \$1.7199
 * Degree Day weighted NYMEX strip (no differentials)

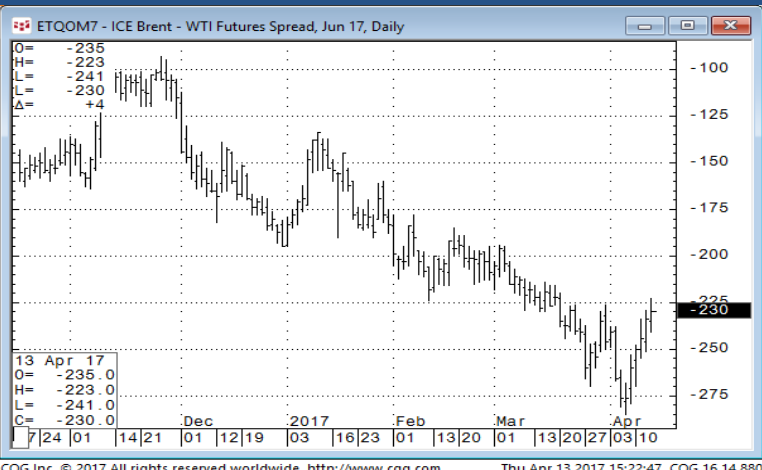
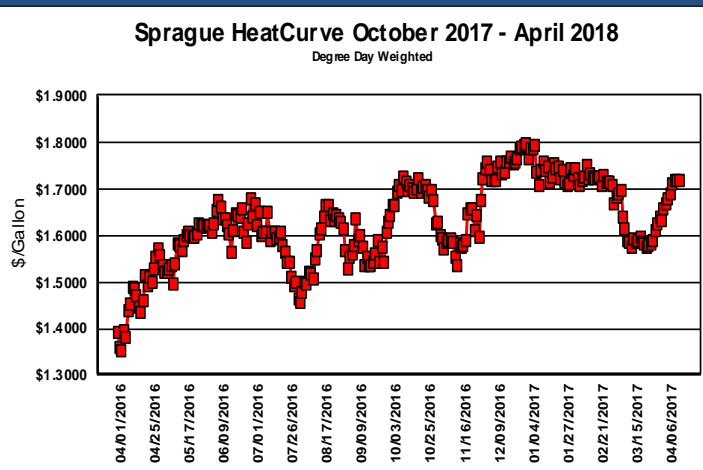
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread	\$53.6000	\$0.0800
Crude - Brent		\$55.8900	\$0.0300
Natural Gas	\$2.29	\$3.2270	\$0.0400
Gasoline		\$1.7349	-\$0.0068

EIA Natural Gas Storage Report

	EIA Weekly Report			
	07-Apr-17	30-Mar-17	Change	Year Ago
East	266	268	-2	421
Midwest	476	479	-3	539
Mountain	141	142	-1	150
Pacific	221	216	5	268
South Central	957	946	11	1,099
Salt	301	295	6	332
Nonsalt	656	651	5	766
Total	2,061	2,051	10	2,477

Sprague HeatCurve Winter 2017/18

ICE June WTI-Brent Spread



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.