

Market Commentary

Recap: Oil futures fell on Tuesday on anticipation that U.S. shale oil production for the month of May would post its largest increase in more than two years. This overshadowed the agreed upon production cuts by OPEC and some non-OPEC members, pushing prices to their lowest level in 7 days. A slight rebound ensued, with May WTI settling at \$52.41, down 24 cents or 0.46%. June Brent fell 47 cents, or 0.85%, to settle at \$54.89.

Sustained moves below \$53.21 in May WTI, continues to entice sellers into this market, which pushed this spot contract below the 10-day moving average for the first time since March 29th, with a settlement right on the average. Technically, there is more room to the downside, with a possible test at the \$51.50 level. Resistance remains at \$53.21.

May RBOB fell 0.5% to \$1.711 a gallon, while May heating oil slipped 0.7% to \$1.622 a gallon.

Fundamental News: According to Bloomberg, crude stocks at Cushing, Oklahoma are expected to fall by 570,000 barrels to 68.8 million barrels in the week ending April 14th.

Genscape forecast a draw in gasoline stocks of about 400,000 barrels in the New York Harbor region in the week ending April 14th.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in February fell to 6.957 million bpd from 7.713 million bpd in January. The country's crude production increased by 263,000 bpd to 10.011 million bpd in February. Meanwhile, Saudi Arabia's domestic crude throughput increased by 546,000 bpd to 2.673 million bpd in February.

Separately, the Joint Organizations Data Initiative also reported that Kuwait's crude exports fell by 0.7% in February to 1.916 million bpd from 1.93 million bpd in January.

The UAE's Energy Minister, Suhail bin Mohammed al-Mazroui, said he saw healthy oil demand growth this year and believed inventories would fall, but that it would take more time to rebalance the market. He said conformity within OPEC and other producers was improving and that the UAE was complying 100% with its pledge to cut production.

According to Bloomberg, preliminary US waterborne crude imports fell by 419,000 bpd to 4 million bpd in the week ending April 14th. Imports in the Gulf Coast fell by 166,000 bpd to 2.3 million bpd while imports in the East and West Coast fell by 111,400 bpd and 141,000 bpd, respectively. Total crude and product imports fell by 114,800 bpd to 5.9 million bpd.

A provisional loading schedule showed that Iraq will export an average 3.22 million bpd of Basrah crude in May, up from 3.171 million bpd in its April program. About 2.382 million bpd of Basrah Light crude are scheduled to be exported in May, while exports of Basrah Heavy crude are estimated at 838,708 bpd.

A BP well on Alaska's North Slope is no longer leaking crude oil or natural gas. Environmentalists called on the state to investigate. The crude spray was discovered on April 14th and capped early April 16th. A second leak was emitting gas at a reduced rate and was closed off overnight on April 16th.

Russia cut its oil production during the first 16 days of April to 1.501 million metric tons a day, down from 1.508 million metric tons as of the end of March.

Colonial Pipeline is allocating Cycle 24 shipments on Line 2, its main distillate line from Houston, Texas to Greensboro, North Carolina.

Early Market Call - as of 9:00 AM EDT

WTI - May \$52.48, up 7 cents
 RBOB - May \$1.7050, down 57 points
 HO - May \$1.6242, up 18 points

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-17	\$1.6219	(\$0.0110)	-0.0287
Jun-17	\$1.6311	(\$0.0110)	-0.0276
Jul-17	\$1.6407	(\$0.0111)	-0.0264
Aug-17	\$1.6507	(\$0.0114)	-0.0255
Sep-17	\$1.6624	(\$0.0116)	-0.0246
Oct-17	\$1.6738	(\$0.0114)	-0.0236
Nov-17	\$1.6849	(\$0.0105)	-0.0223
Dec-17	\$1.6943	(\$0.0104)	-0.0216
Jan-18	\$1.7040	(\$0.0100)	-0.0207
Feb-18	\$1.7089	(\$0.0093)	-0.0195
Mar-18	\$1.7075	(\$0.0082)	-0.0183
Apr-18	\$1.6987	(\$0.0079)	-0.0177
May-18	\$1.6928	(\$0.0072)	-0.0155
Jun-18	\$1.6895	(\$0.0065)	-0.0142
Jul-18	\$1.6900	(\$0.0063)	-0.0139
Aug-18	\$1.6929	(\$0.0063)	-0.0135

Sprague HeatCurve Oct 2017-April 2018* \$1.6989

* Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread	\$52.8500	-\$0.2600
Crude - Brent		\$54.8900	-\$0.4700
Natural Gas	\$2.04	\$3.1450	-\$0.0180
Gasoline		\$1.7110	-\$0.0086

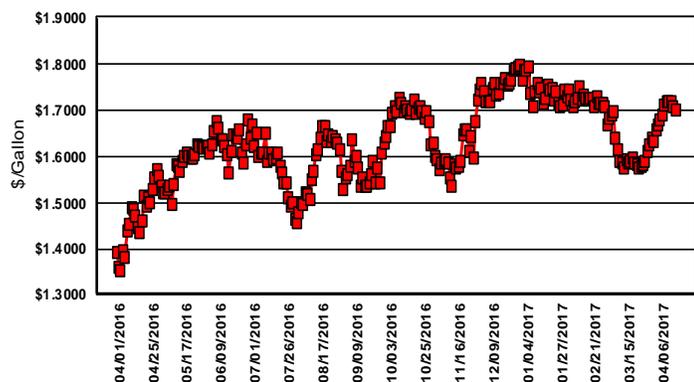
API Report for the Week Ending April 14, 2017

	Actual	Mkt Expectations
Crude Oil Stocks(excluding SPR)	Down 840,000 barrels	Down 50,000 barrels
Cushing, OK Crude Stocks	Down 672,000 barrels	Down 481,000 barrels
Gasoline Stocks	Up 1.4 million barrels	Down 2 million barrels
Distillate Stocks	Down 1.8 million barrels	Down 1.4 million barrels
Refinery % Operated	Up 334,000 bpd	Up 0.7% to 91.7%

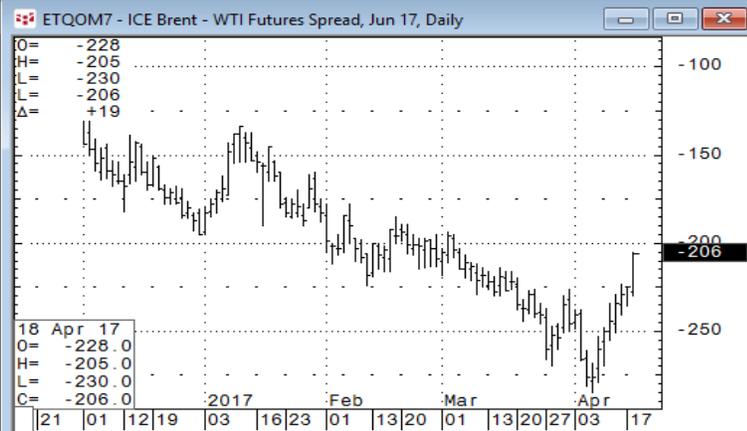
Sprague HeatCurve Winter 2017/18

Sprague HeatCurve October 2017 - April 2018

Degree Day Weighted



ICE June WTI-Brent Spread



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