

Market Commentary

Recap: Oil futures bounced around the unchanged level, trading within a 30 cent range for most of the session, as traders continue to sort through OPEC output cuts and increases in U.S. production. Waning confidence in OPEC's agreement to cut back on output, combined with growing U.S. production has taken the wind out of the recent ascent in prices, as is evident in calendar spreads. Weakness in these spreads extends from the June17-July17 spread all the way through to December17-January18. After peaking at -0.06 in December, the discount in the June17-July17 WTI spread has weakened by more than 30 cents. This, along with falling open interest, indicates doubts that this market will be able to sustain strength.

June WTI, made new lows in post settlement trading, falling below the 30-day moving average of \$50.77. This allows for a run at support set at \$50.35. Below this level, support can be found at \$49.70. Above the market, resistance can be found at \$50.85 and \$51.30. June WTI settled at \$50.71, down 14 cents, or 0.3%. June Brent finished up 6 cents, or 0.11%, settling at \$52.99.

May RBOB gained 0.7% to \$1.671 a gallon and May heating oil finished down by 0.2% to \$1.579 a gallon.

Fundamental News: Genscape reported that crude stocks held in Cushing, Oklahoma in the week ending Tuesday, April 18th fell by 740,418 barrels on the week and by 708,024 barrels from Friday, April 14th to 70,271,490 barrels.

Saudi Arabia's Oil Minister, Khalid al-Falih, said crude producing countries reached an initial agreement to extend output cuts. He said OPEC and other major producers have failed, after three months of cutting production, to achieve their target of reducing oil inventories below the five-year historical average, although there is a high level of commitment. He said countries participating in the cuts have yet to reach a consensus on continuing their agreement into the second half of the year, and an extension would not necessarily be for an additional six months. Separately, Oman's Oil Minister, Mohammed Al-Rumhy, said Gulf Cooperation Council countries agreed to push for an extension of cuts during a meeting on Wednesday. He said a high number of producers favored extending a supply restraint agreement. Iran and Venezuela have expressed support for an extension of the cuts. Meanwhile, Kuwait's Oil Minister, Issam Almarzoq, stated that if OPEC and non-OPEC oil producers decide to extend their six month agreement on output cuts, the cuts may become less deep as oil demand is expected to be stronger for seasonal reasons in the second half of 2017. In regards to Iran, he stated that Iran's Oil Minister made a commitment to freeze output at 3.8 million bpd for the rest of the year on the assumption that the cuts are extended beyond June.

Russia's Energy Ministry said it is still too early to comment if the oil output deal between OPEC and non-OPEC producers will be extended through the second half.

The leader of Iraq's Shi'ite ruling coalition, Ammar al-Hakim, said Iraq supports an extension of a deal between oil exporters to reduce global supply in order to support crude prices.

According to the EIA, crude imports from Saudi Arabia increased by 34% to 1.19 million bpd in the week ending April 14th.

Venezuela is scheduled to unload 13 tankers carrying oil products this month, the highest this year, as PDVSA's refineries continue to struggle.

Libya's El Feel or Elephant oil field is expected to resume operations.

Early Market Call - as of 9:00 AM EDT

WTI - May \$50.62, down 2 cents

RBOB - May \$1.6717, up 12 points

HO - May \$1.5776, down 13 points

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-17	\$1.5789	(\$0.0024)	-0.0706
Jun-17	\$1.5857	(\$0.0035)	-0.0718
Jul-17	\$1.5929	(\$0.0050)	-0.0733
Aug-17	\$1.6008	(\$0.0063)	-0.0748
Sep-17	\$1.6111	(\$0.0070)	-0.0757
Oct-17	\$1.6222	(\$0.0071)	-0.0752
Nov-17	\$1.6333	(\$0.0072)	-0.0740
Dec-17	\$1.6425	(\$0.0073)	-0.0738
Jan-18	\$1.6521	(\$0.0074)	-0.0732
Feb-18	\$1.6570	(\$0.0075)	-0.0723
Mar-18	\$1.6561	(\$0.0071)	-0.0708
Apr-18	\$1.6481	(\$0.0067)	-0.0693
May-18	\$1.6435	(\$0.0063)	-0.0666
Jun-18	\$1.6416	(\$0.0056)	-0.064
Jul-18	\$1.6431	(\$0.0052)	-0.0626
Aug-18	\$1.6463	(\$0.0052)	-0.0621

Sprague HeatCurve Oct 2017-April 2018* \$1.6473

* Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread	\$50.7100	-\$0.1400
Crude - Brent		\$52.9900	\$0.0600
Natural Gas	\$2.28	\$3.1590	-\$0.0260
Gasoline		\$1.6705	\$0.0115

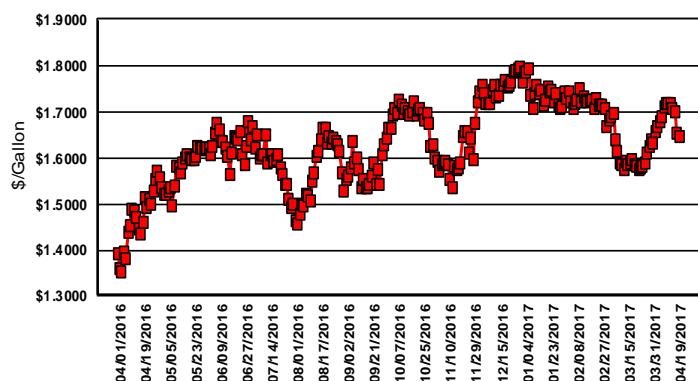
EIA Natural Gas Storage Report

	14-Apr-17	07-Apr-17	Change	Year Ago
East	278	266	12	410
Midwest	487	476	11	538
Mountain	144	141	3	152
Pacific	223	221	2	271
South Central	983	957	26	1,113
Salt	314	301	13	341
Nonsalt	670	656	14	773
Total	2115	2,061	54	2,483

Sprague HeatCurve Winter 2017/18

Sprague HeatCurve October 2017 - April 2018

Degree Day Weighted



ICE June WTI-Brent Spread

