

## Market Commentary

**Recap:** U.S. sanctions against Iran and Venezuela, combined with OPEC led supply cuts, pushed prices to fresh highs for the year. By 07:09 EST, April WTI reached a session high of \$59.57 a barrel, surpassing the unchanged mark by 48 cents, while May Brent tacked on 68 cents, to post a session high of \$68.20 a barrel. However, prices were unable to sustain strength, as it became apparent that OPEC and non-OPEC members are struggling to maintain a balance between supply and demand amidst rising U.S. shale production. By mid-afternoon, both WTI and Brent slipped below unchanged, with April WTI falling as much as 0.8 percent to a low of \$58.62 a barrel and May Brent hitting \$67.13 a barrel, down 0.6 percent. However, slightly, Brent was able to work its way back above unchanged to settle at \$67.61 a barrel, up 7 cents, or 0.10 percent. WTI for April delivery fell 6 cents, or 0.10 percent, to settle at \$59.03 a barrel. April RBOB rose 0.6% to \$1.893 a gallon, while April heating oil rose 1.1% to \$1.990 a gallon.

**Technical Analysis:** WTI continues to work its way toward the \$60.00 level, while trending within the upward channel as seen on a daily spot continuation chart. We would look for continued attempts to trade above the \$60.00 level. If WTI can break above this level, volume should pick up, and as a result we could see a run up to \$65.00. Support is set at \$58.75 and \$58.30.

**Fundamental News:** US Special Representative, Elliot Abrams, said talks on Tuesday between the US and Russia on Venezuela were positive and substantive but the two sides were still divided over the legitimacy of President Nicolas Maduro. The US and many other Western countries support Juan Guaido, who invoked the constitution in January to assume an interim presidency. Russia said Maduro remains the country's only legitimate leader. Meanwhile, Russian Deputy Foreign Minister, Sergei Ryabkov, said talks between the US and Russia over the crisis in Venezuela were difficult but frank. Russia warned the US not to intervene militarily in Venezuela and said it was increasingly concerned by US sanctions on Venezuela. He said Russia is opposed to any US attempt to use humanitarian aid pretext to intervene in Venezuela.

Reuters reported that Libya's El Sharara oilfield is pumping around 270,000 b/d and could add another 20,000 b/d after maintenance on wells has been completed.

The provincial government of Alberta late Monday announced it will increase its crude oil production limits for May and June by 25,000 b/d in each month. The increase will result in the production ceiling reaching 3.71 million b/d by June. The government noted that the increase in production limits comes as warmer weather reduces the amount of diluent needed to help oil sands bitumen flow through pipelines.

Venezuela reported it has suspended its oil exports to India and now views Russia and China as its main export destinations. The president of PDVSA said in order to prevent a sharp reduction in exports, various measures are being implemented and diversification of the export market is underway.

Vitol reported its traded volumes of crude oil and products reached 7.4 million b/d a 2.3% increase over traded volumes the year earlier. Gasoline traded volumes were up 30% from 2017.

**Early Market Call - as of 8:00 AM EDT**

WTI - Apr \$58.51, down 52 cents  
 RBOB - Apr \$1.8841, down 79 points  
 HO - Apr \$1.9809, down 97 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9904	\$0.0214	\$0.0047
May-19	\$1.9910	\$0.0185	\$0.0048
Jun-19	\$1.9924	\$0.0155	\$0.0033
Jul-19	\$1.9982	\$0.0135	\$0.0029
Aug-19	\$2.0060	\$0.0120	\$0.0029
Sep-19	\$2.0162	\$0.0111	\$0.0027
Oct-19	\$2.0253	\$0.0104	\$0.0024
Nov-19	\$2.0335	\$0.0100	\$0.0024
Dec-19	\$2.0408	\$0.0098	\$0.0019
Jan-20	\$2.0476	\$0.0094	\$0.0016
Feb-20	\$2.0489	\$0.0089	\$0.0014
Mar-20	\$2.0451	\$0.0083	\$0.0010
Apr-20	\$2.0334	\$0.0077	\$0.0011
May-20	\$2.0245	\$0.0071	\$0.0013
Jun-20	\$2.0194	\$0.0066	\$0.0015
Jul-20	\$2.0181	\$0.0056	\$0.0004
Aug-20	\$2.0179	\$0.0051	\$0.0001

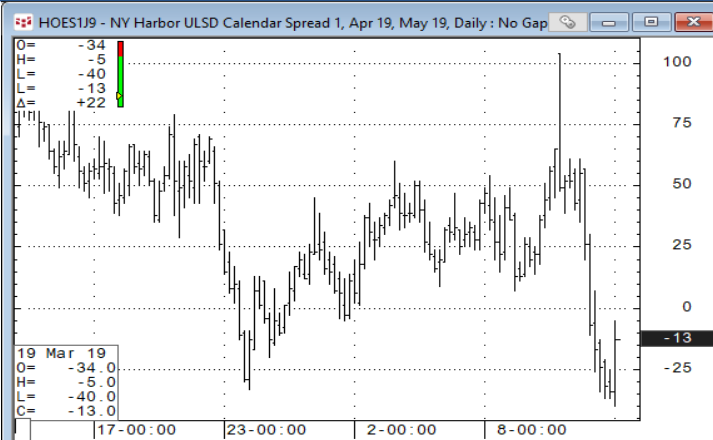
### Sprague HeatCurve Oct 2019-Apr 2020 \$2.0418

Other Front Month NYMEX	Close	Change
Crude - WTI	\$59.2900	-\$0.0900
Crude - Brent	\$67.6100	\$0.0700
Natural Gas	\$2.8740	\$0.0240
Gasoline	\$1.8931	\$0.0103

### API Weekly Report for the Week Ending March 15, 2019

	Actual	Mkt Expectations
<b>Crude Oil Stocks(exl SPR)</b>	Down 2.1 million barrels	Up 300,000 barrels
Cushing, OK Crude Stocks	Down 317,000 barrels	Down 1.805 million barrels
<b>Gasoline Stocks</b>	Down 2.8 million barrels	Down 2.4 million barrels
<b>Distillate Stocks</b>	Down 1.6 million barrels	Down 1.1 million barrels
<b>Refinery Runs</b>	Up 67,000 bpd	Up 0.2%

## NYMEX Heating Oil Apr-May Spread



## NYMEX RBOB Apr-May Spread

