

Market Commentary

Recap: WTI bounced off of the \$56.00 level on reports that Saudi Arabia plans to lengthen its reduction of crude oil exports, while Venezuelan exports continue to decline in the wake of nationwide power outages. April WTI opened the session trading at unchanged, but quickly bounced, rising to a high of \$57.01 a barrel. A lack of follow through to the upside sparked day traders into turning light profits, which in turn trimmed gains. April WTI settled at \$56.19, up 72 cents, or 1.28 percent. Brent for May delivery tacked on 84 cents, or 1.28 percent to settle at \$66.58 a barrel. April RBOB finished up 1.4% at \$1.826 a gallon—the highest since October of last year. April heating oil fell 0.3% to \$1.994 a gallon, marking the lowest finish since Feb. 25th.

Technical Analysis: For the second straight session, April WTI settled below the lower line on the ascending channel that appears on a daily spot continuation chart. This typically validates the break to of the aforementioned line, indicating additional moves to the down side. While we would not discount lower moves, we would keep a close eye on the slow stochastics, as they are trending within neutral territory with a hint of crossing to the upside. Based upon the break of the channel, we would look for dips toward the 50-day moving average, which is currently set at \$53.94, with additional support set at \$51.79. Resistance is set at \$57.04 and above that at \$58.00.

Fundamental News: The IEA said the US will drive global oil supply growth over the next five years, adding another 4 million bpd to the country's already increasing output. US oil output is forecast to increase to 19.6 million bpd by 2024 from 15.5 million last year. It said the US is leading the expansion in global oil supplies, with significant growth also seen among other non-OPEC producers, including Brazil, Norway and Guyana. Global oil demand growth is set to ease as China slows, but will still increase by an annual average of 1.2 million bpd to 2024. US oil demand growth in 2018 was 500,000 bpd, the highest of all countries. It forecast that the US will be a net exporter of crude and refined products by 2021. The IEA said Iraq would reinforce its position as a top producer, becoming the world's third-largest source of new supply and driving growth within OPEC. The IEA forecasts demand for OPEC crude will fall in 2020 and then increase to an average 31.3 million bpd in 2023.

On Sunday, Saudi Arabia's Energy Minister, Khalid Al-Falih, said that March's oil output was 9.8 million bpd and added that the country plans to keep its April output at the same level.

Saudi Arabia plans to cut its crude oil exports in April to below 7 million bpd, while keeping its output well below 10 million bpd. Saudi Aramco's oil allocations for April are 635,000 bpd below customers' nominations. The April allocations by Aramco show a deep cut of 635,000 bpd from customer requests for its crude.

Output at Libya's El Sharara oilfield is expected to be restored to 300,000 bpd in two weeks. Production restarted a week ago in the 315,000 bpd field, which was closed for three months after it was seized by state guards and tribesmen.

Venezuela's PDVSA has been unable to resume exports at the Jose port, the country's primary crude export terminal, following last week's widespread power outage. The power outage also affected the Puerto La Cruz refinery. The country's crude upgraders, which convert up to 700,000 bpd of Orinoco Belt heavy oil into exportable grades, are also operating at minimum levels due to the lack of power.

IIR Energy reported that US oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending March 15th, increasing available refining capacity by 91,000 bpd from the previous week.

Early Market Call - as of 8:25 AM EDT

WTI - Apr \$57.06, up 27 cents

RBOB - Apr \$1.8223, down 40 points

HO - Apr \$1.9922, down 23 points

All NYMEX | Prior Settlements

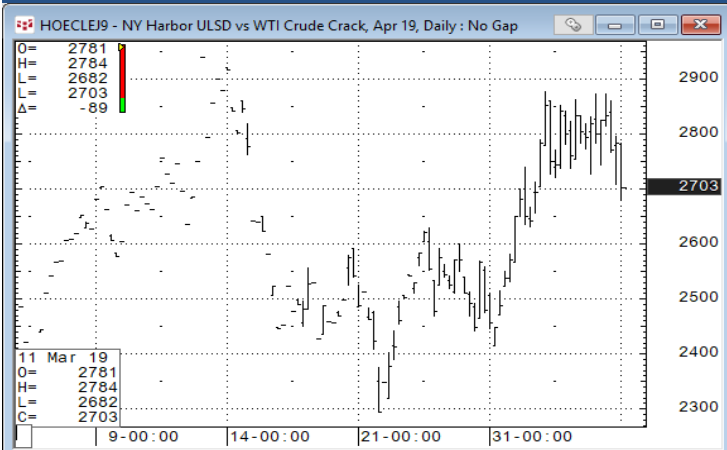
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9942	-\$0.0056	-\$0.0201
May-19	\$1.9916	-\$0.0022	-\$0.0176
Jun-19	\$1.9920	\$0.0012	-\$0.0140
Jul-19	\$1.9975	\$0.0035	-\$0.0122
Aug-19	\$2.0046	\$0.0046	-\$0.0121
Sep-19	\$2.0148	\$0.0052	-\$0.0120
Oct-19	\$2.0243	\$0.0057	-\$0.0114
Nov-19	\$2.0327	\$0.0062	-\$0.0107
Dec-19	\$2.0403	\$0.0063	-\$0.0103
Jan-20	\$2.0472	\$0.0066	-\$0.0095
Feb-20	\$2.0484	\$0.0067	-\$0.0088
Mar-20	\$2.0448	\$0.0067	-\$0.0090
Apr-20	\$2.0327	\$0.0067	-\$0.0101
May-20	\$2.0235	\$0.0065	-\$0.0110
Jun-20	\$2.0183	\$0.0064	-\$0.0117
Jul-20	\$2.0180	\$0.0063	-\$0.0128
Aug-20	\$2.0181	\$0.0063	-\$0.0135

Sprague HeatCurve Oct 2019-Apr 2020		\$2.0412	
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$57.1200	\$0.6900
Crude - Brent	WTI Spread	\$66.5800	\$0.8400
Natural Gas	\$9.46	\$2.7720	-\$0.0930
Gasoline		\$1.8260	\$0.0243

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

