

Market Commentary

Recap: Oil futures rose to their highest level in six-weeks as U.S. data showed a strong first quarter increase in economic growth, boosting expectations for energy demand despite India's battle against the spread of COVID-19. According to economic data, the U.S. GDP rose 6.4% on an annual pace in the first quarter, while weekly jobless claims declined to 553,000 from a revised 566 a week earlier. Oil prices also rose as the U.S. dollar weakened. June WTI added \$1.15, or 1.80%, to settle at \$65.01 a barrel, while June Brent tacked on \$1.29, or 1.92%, to settle at \$68.56 a barrel. July, the most actively traded contract rose \$1.27, or 1.9%, to \$68.05 a barrel. May RBOB finished at \$2.10 a gallon, up 1.3%, while May heating oil rose 1.2%, to \$1.96 a gallon.

Technical Analysis: WTI continues to pull itself away from \$62.27, the top of the congestion pattern we have been writing about. At this point, it appears that this market is picking up momentum, as traders grow more confident that demand will increase. There is resistance set at \$66.40, with the likelihood that we will see \$67.29, the measured move based upon the breakout of the congestion area, increasing. A slip back below \$62.27 will signal that buying is drying up and we should see selling pressure enter the market. Support is being set by the 50-day moving average, which is currently set at \$61.94, with support below that at \$60.

Fundamental News: Iran's state-run Press TV reported that Iran will demand the U.S. never activate the so-called snapback mechanism of the 2015 nuclear deal, if it returns to the accord. Separately, Iran's Foreign Minister, Mohammad Javad Zarif cited "indications of positive signs on horizon" in relation to talks to revive the nuclear deal and relations with countries in the Persian Gulf.

Exports of North Sea crude are expected to fall in June amid maintenance work on a key pipeline. Shipments of the five grades that make up the Dated Brent benchmark are expected to fall to a low of 600,000 bpd in June. The North Sea Forties crude oil stream will load only one or two cargoes in June. Forties is normally the largest or second-largest of the five crude grades that underpins Brent, loading as many as 15 cargoes in a month. It is expected to load 40,000 bpd, down from last year's average of 300,000 bpd. The North Sea Oseberg crude stream is scheduled to load 5 cargoes in June, while the North Sea Troll crude stream is scheduled to load 8 cargoes in June and the North Sea Ekofisk crude oil stream is scheduled to load 11 cargoes in June.

Exxon Mobil Corp and the United Steelworkers union have agreed to an orderly transfer of the company's 369,024 bpd Beaumont, Texas, refinery to temporary workers if a threatened lockout begins on Saturday. The two sides have been in negotiations since January but have been unable to agree on a new union labor contract for the plant. Exxon told refinery workers in an email that it wants the union to hold a vote on its latest offer. It has declined to hold further talks without the vote. Neither side has disclosed details of the proposals for the contract that will replace a six-year pact reached in 2015. The union rejected Exxon's last proposal and counter offered with a one-year extension. After that rejection, Exxon gave the union notice it planned to lock out hourly employees on Saturday. The oil company this week began soliciting former employees and others with at least two years' experience as process operators to staff units between May 10th and August.

Early Market Call - as of 8:50 AM EDT
WTI - June \$63.41, down \$1.60
RBOB - May \$2.0550, down 4.49 cents
HO - May \$1.9181, down 4.33 cents

All NYMEX | Prior Settlements

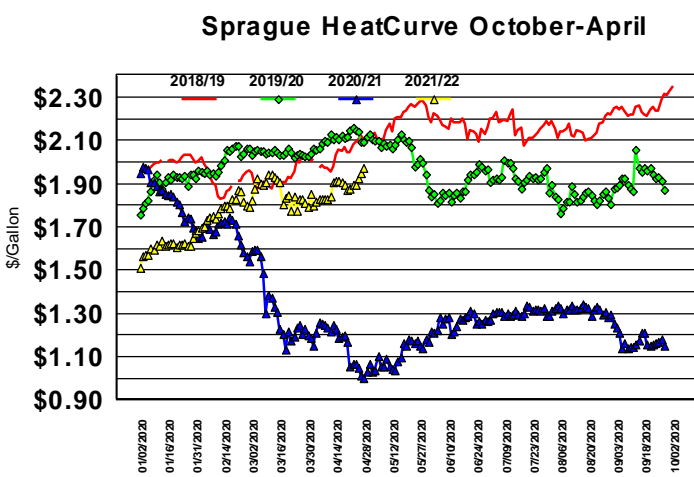
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.9614	0.0228	-0.1006
Jun-21	1.9625	0.0228	-0.0996
Jul-21	1.9643	0.0231	-0.0988
Aug-21	1.9665	0.0231	-0.0974
Sep-21	1.9703	0.0230	-0.0968
Oct-21	1.9733	0.0226	-0.0960
Nov-21	1.9753	0.0221	-0.0952
Dec-21	1.9752	0.0215	-0.0945
Jan-22	1.9753	0.0212	-0.0934
Feb-22	1.9719	0.0207	-0.0920
Mar-22	1.9643	0.0202	-0.0908
Apr-22	1.9525	0.0197	-0.0903
May-22	1.9463	0.0193	-0.0901
Jun-22	1.9419	0.0188	-0.0899
Jul-22	1.9421	0.0184	-0.0887
Aug-22	1.9423	0.0180	-0.0872
Sep-22	1.9435	0.0178	-0.0860

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.55	\$65.0100	\$1.1500
Crude - Brent		\$68.5600	\$1.2900
Natural Gas		\$2.9110	-\$0.0490
Gasoline		\$2.0999	\$0.0277

EIA Working Gas Storage Report

	23-Apr-21	16-Apr-21	Change	23-Apr-2020
East	319	325	-6	404
Midwest	427	421	6	504
Mountain	119	118	1	102
Pacific	217	210	7	217
South Central	816	810	6	974
Salt	258	256	2	312
Nonsalt	558	554	4	661
Total	1,898	1,883	15	2,200

Sprague HeatCurve October-April



WTI Continuation

