

Market Commentary

Recap: Oil prices fell to their lowest level in a week, with U.S. crude oil inventories rising amid increasing concerns over global demand, as the number of COVID-19 infections continues to rise in Asia. Currently, there are a number of factors influencing oil markets which include a rash of robust economic data, specifically in the U.S., which is supportive for prices, while the potential of antitrust lawsuits against the Organization of the Petroleum Exporting Countries, for the group's oil production cap policies, which have helped to spark the recent rise in oil prices, could pull the rug out from under this market. This, combined with the ever looming threat of the coronavirus on demand, has left traders with unprecedented fundamentals to deal with. For these reasons, we would look for this market to experience erratic trading, with difficulty maintaining moves to the upside. June WTI settled at \$61.35 a barrel, down \$1.32, or 2.1%, while June Brent settled at \$65.32 a barrel, down \$1.25, or 1.9%. May RBOB lost 1.7%, to settle at \$1.98 a gallon, and May heating oil shed 1.4%, to close at \$1.85 a gallon.

Technical Analysis: Wednesday's move resulted in a crossing to the downside in both the slow stochastics and the RSI, which typically brings about further downside movement. Accompanying this move was a close below both the 10 and 50-day moving averages in the June WTI. With this market now back in the congestion area it broke out of last week, we would look for a push toward the bottom of this pattern, which is set at \$57.25. There is support above this level set at \$58.85. To the upside, resistance is set at \$62.27 and \$63.45.

Fundamental News: IIR Energy reported that U.S. oil refiners are expected to shut in 1.2 million bpd of capacity in the week ending April 23rd, increasing available refining capacity by 773,000 bpd from the previous week. Offline capacity is expected to fall to 962,000 bpd in the week ending April 30th.

Russia's Deputy Prime Minister, Alexander Novak, said that an OPEC+ meeting of oil producers next week may confirm or tweak output plans following its decision to ease production cuts. He also said that the Russian government is set to discuss possible cuts on exports of gasoline to protect the domestic market.

S&P Global Platts reported that an average of 173,000 b/d of sour crude will move out the SPR and into the market through May as part of a congressionally mandated sale of 10.1 million barrels. Less certain is the timing of these sales going forward. Another drawdown of roughly 16 million barrels is required to be done in fiscal year 2022 to raise up to \$450 million to fund the SPR's infrastructure modernization plans. The EIA reported this morning that last week saw 800,000 barrels moved out of the SPR.

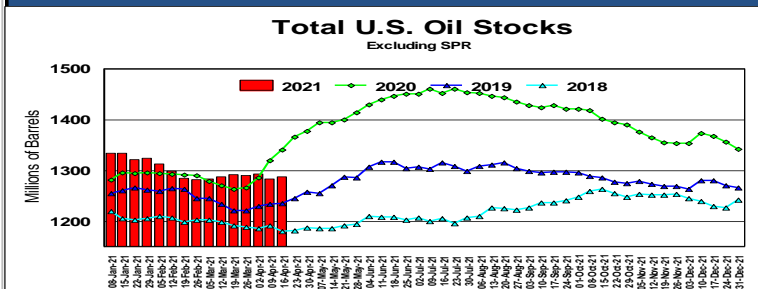
Major oil trading companies are storing diesel and jet fuel on newly built supertankers in Asia and Africa in anticipation of COVID-19 vaccinations driving prices higher in the months ahead. Shipping sources and data from analytics firms Vortexa, Kpler and Refinitiv show that Trafigura, Glencore and Vitol are holding about 1.5 million tons of the industrial and aviation fuel on at least seven Very Large Crude Carriers off Singapore, Malaysia, Sri Lanka and Africa. These stocks are helping Asia hold back excess supplies and prevent added pressure on prices as China increases its diesel exports from refining overcapacity while renewed lockdowns in India to curb the spread of COVID-19 threatens to slow fuel demand at the world's third largest oil consumer.

Early Market Call - as of 8:00 AM EDT
WTI - June \$61.01, down 34 cents
RBOB - May \$1.9720, down 1.14 cents
HO - May \$1.8495, down 42 points

All NYMEX | Prior Settlements

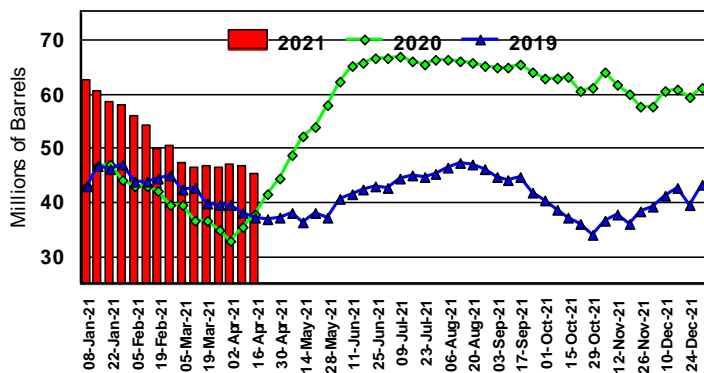
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8537	-0.0264	0.0363
Jun-21	1.8555	-0.0265	0.0365
Jul-21	1.8585	-0.0265	0.0359
Aug-21	1.8621	-0.0263	0.0355
Sep-21	1.8664	-0.0262	0.0356
Oct-21	1.8702	-0.0261	0.0354
Nov-21	1.8731	-0.0259	0.0352
Dec-21	1.8735	-0.0258	0.0354
Jan-22	1.8749	-0.0251	0.0354
Feb-22	1.8726	-0.0248	0.0362
Mar-22	1.8659	-0.0245	0.0370
Apr-22	1.8543	-0.0242	0.0378
May-22	1.8481	-0.0236	0.0381
Jun-22	1.8437	-0.0232	0.0385
Jul-22	1.8451	-0.0232	0.0391
Aug-22	1.8467	-0.0230	0.0394
Sep-22	1.8489	-0.0228	0.0398

Sprague HeatCurve October 2021-April 2022		\$1.8705
	Close	Change
Crude - WTI	\$61.3500	-\$1.3200
Crude - Brent	\$65.3200	-\$1.2500
Natural Gas	\$2.6920	-\$0.0350
Gasoline	\$1.9834	-\$0.0340



Weekly EIA Petroleum Status Report for the Week Ending April 16, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 594,000 barrels
 Cushing, OK Crude Stocks Down 1.318 million barrels
Gasoline Stocks Up 85,000 barrels
Distillate Stocks Down 1.073 million barrels
Refinery % Operated 85%, Unchanged

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 16, 2021	Week Ending Apr 9, 2021	Week Ending Apr 17, 2020
New England	8.9	9.5	7.2
Central Atlantic	22.6	23.4	19.2
Total PADD #1	45.2	46.7	41.4
Distillate Imports (thousands b/d)	114	226	88