

Market Commentary

Recap: Crude oil prices slipped as much as 1.7 percent on Wednesday after the EIA reported a 9.9 million barrel build in U.S. crude oil inventories, the largest weekly gain so far this year, and the highest level since September 2017. Analysts were expecting a 1.4 million barrel rise. A drop in refining activity, combined with a rise in imports lent to the increase in crude oil inventories. The bulk of the build was on the U.S. Gulf Coast—with lower refinery runs amid rising imports. June WTI fell to a low of \$62.80 by 11:03 am ET, while July Brent fell to a session low of \$71.30. Volume was light due to the May Day holiday overseas. Political unrest in Venezuela helped to contain the downward move, and to trim losses. June WTI worked its way back above \$63.00, while June Brent initially had difficulty recapturing \$72.00. Settlements were mixed, with June WTI falling 31 cents, or 0.49 percent, to settle at \$63.60 a barrel, while July Brent tacked on 12 cents, or 0.17 percent, to settle at \$72.18 a barrel. June RBOB lost 0.1% to \$2.064 a gallon, while the June heating oil tacked on 0.8% to \$2.094 a gallon.

Technical Analysis: WTI remained below the 10-day moving average, which is currently set at \$64.52. Our stance on this market remains unchanged, and as previously stated, we would not discount a test back toward the channel bottom, but do not believe that the major trend remains to the upside. Support is set at \$61.11 and below that at \$60.78, the channel bottom. Resistance is set at \$64.75 and above that at the psychological level of \$65.00.

Fundamental News: Iran's Oil Minister, Bijan Zanganeh, said anyone who uses oil as a weapon is creating the death and collapse of OPEC. He said those who use oil as a weapon against two founding members of OPEC are disturbing the unity of OPEC. He also stated that anyone who uses oil as a political tool must also accept the consequences.

Iran's President, Hassan Rouhani, reiterated that Iran will continue selling its oil despite US sanctions and said the US' policy of putting pressure on Iran would fail in practice.

Qatar has spoken out against the US' decision to block all exports of Iranian oil, saying unilateral sanctions was unwise because it hurt the countries that rely on the supplies.

Venezuelans gathered for planned mass street protests against leftist Venezuelan President Nicolas Maduro. Opposition leader, Juan Guaido, pledged it would be the largest march in the country's history, a day after he called for the military to oust President Nicolas Maduro.

US Secretary of State, Mike Pompeo, said that the US was prepared to take military action to stem the ongoing turmoil in Venezuela. However he added that the US would prefer a peaceful transition of power in Venezuela. He later urged an end to Russian involvement in Venezuela in a call with Russian Foreign Minister Sergei Lavrov. In response, Russia's Foreign Minister said that further "aggressive steps" in Venezuela would be fraught with the gravest consequences. Meanwhile, the Pentagon appeared to downplay any active planning to directly intervene in Venezuela to oust President Nicolas Maduro.

The US EIA reported that US crude oil production set a new record in the week ending April 26th, increasing by 100,000 bpd to 12.3 million bpd. US crude oil inventories increased 9.9 million barrels to 470.6 million barrels, the highest level since September 2017. US Gulf Coast crude inventories increased by 9.2 million barrels last week to 244.6 million barrels.

IIR Energy reported that US oil refiners are expected to shut in 996,000 bpd of capacity in the week ending May 3rd, increasing the available refining capacity by 214,000 bpd from the previous week. The offline capacity is expected to fall to about 993,000 bpd in the week ending May 10th.

Early Market Call - as of 8:40 AM EDT

WTI - June \$62.54, down \$1.07

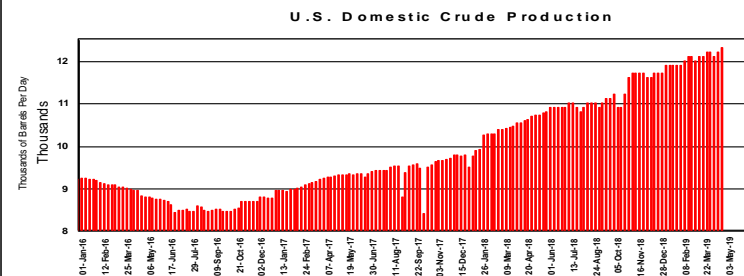
RBOB - June \$2.0354, down 2.85 cents

HO - June \$2.0808, down 1.32 cents

All NYMEX | Prior Settlements

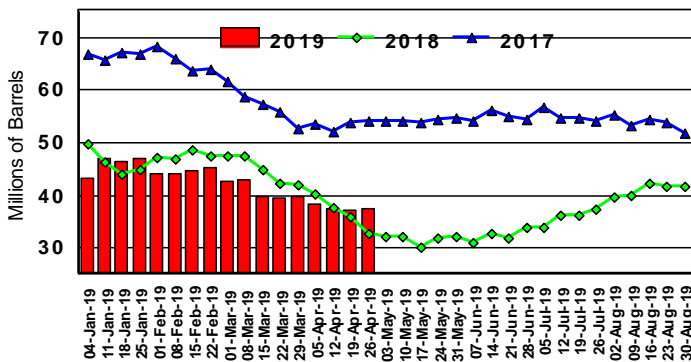
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-19	\$2.0942	\$0.0163	-\$0.0066
Jul-19	\$2.0970	\$0.0153	-\$0.0101
Aug-19	\$2.1018	\$0.0142	-\$0.0126
Sep-19	\$2.1098	\$0.0131	-\$0.0151
Oct-19	\$2.1182	\$0.0121	-\$0.0167
Nov-19	\$2.1250	\$0.0118	-\$0.0175
Dec-19	\$2.1299	\$0.0116	-\$0.0177
Jan-20	\$2.1327	\$0.0111	-\$0.0182
Feb-20	\$2.1284	\$0.0102	-\$0.0187
Mar-20	\$2.1184	\$0.0092	-\$0.0191
Apr-20	\$2.1029	\$0.0087	-\$0.0183
May-20	\$2.0915	\$0.0082	-\$0.0171
Jun-20	\$2.0832	\$0.0075	-\$0.0162
Jul-20	\$2.0780	\$0.0069	-\$0.0156
Aug-20	\$2.0736	\$0.0064	-\$0.0152
Sep-20	\$2.0702	\$0.0058	-\$0.0155
Oct-20	\$2.0683	\$0.0053	-\$0.0153

Sprague HeatCurve Oct 2019-Apr 2020		\$2.1246	
Other Front Month NYMEX		Close	Change
Crude - WTI	July Brent- WTI Spread	\$63.6900	-\$0.2900
Crude - Brent		\$72.1800	\$0.1200
Natural Gas	\$8.49	\$2.6200	\$0.0450
Gasoline		\$2.0642	-\$0.0026



Weekly EIA Petroleum Status Report for the Week Ending April 26, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 9.934 million barrels

Cushing, OK Crude Stocks Up 265,000 barrels

Gasoline Stocks Up 917,000 barrels

Distillate Stocks Down 1.307 million barrels

Refinery % Operated 89.2%, Down 0.9%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 26, 2019	Week Ending Apr 19, 2019	Week Ending Apr 27, 2018
New England	5.5	5.8	4.9
Central Atlantic	20.5	20.0	17.8
Total PADD #1	37.2	36.9	32.8
Distillate Imports (thousands b/d)	16	235	61

This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.