

Market Commentary

Recap: Oil prices fell from 5 month highs after the EIA reported an unexpected 7.2 million barrel build in U.S. crude oil inventories for the week of March 29. This compares to the expected 1.2 million barrel draw. Trading was choppy, as prices opened the session trading to the upside. The inability for May WTI to trade above \$63.00 prompted a round of technical selling, taking this spot contract below unchanged, to an intermediate session low of \$62.38, a mere 2 cents above the 200-day moving average of \$62.36. Day traders sprang into action, pushing May WTI back above unchanged, but gains were severed by the large inventory build, and this spot contract slipped back below unchanged, to a session low of \$62.06. Losses were trimmed, with May WTI settling at \$62.46 a barrel, down 12 cents, or 0.19 percent. June Brent settled at \$69.31 a barrel, down 6 cents, or 0.09 percent. May RBOB settled at \$1.9512 a gallon, up 2.27 cents, while heating oil for May delivery fell 0.0021, to settle at \$2.0068 a gallon.

Technical Analysis: WTI remains above \$62.32, the current 200-day moving average and \$61.13, the 50 percent retracement provided by the range between the October 2018 high of \$79.43 and the December low of \$43.59. Although we support higher prices with the possibility of reaching \$65.00, we would not discount a shake out to the downside, with a test back towards \$61.13. Resistance is set at \$63.98 and above that at \$65.70. Support is set at \$62.00 and below that at \$61.13.

Fundamental News: The EIA reported that US crude oil stocks unexpectedly increased last week as imports rose, while gasoline and distillate stocks fell. Crude inventories increased by 7.2 million barrels in the last week, with crude stocks in Cushing, Oklahoma increasing by 201,000 barrels. US Gulf Coast crude inventories increased by 8.7 million barrels last week, the largest increase since September 2017. Net crude oil imports increased by 386,000 bpd on the week. Gasoline stocks fell by 1.8 million barrels, while distillate stocks fell by 2 million barrels. Forces loyal to eastern Libyan commander, Khalifa Haftar, have been ordered to move to western Libya to fight militants. The deployment is likely to alarm the internationally recognized government in Tripoli, whose Prime Minister Fayez al-Serraj has been negotiating a power sharing deal with a parallel administration in the east that is allied to Haftar. Russia's Lukoil signed a contract for hydrocarbon exploration and development of the Zhenis block in Kazakhstan's sector of the Caspian Sea. Lukoil will perform drilling of at least one exploration well and a seismic survey.

The Petroleum Association of Japan reported that the country's crude oil stocks in the week ending March 30th increased by 4.75 million barrels on the week but fell by 520,000 barrels on the year to 78.88 million barrels. Japan's gasoline stocks increased by 60,000 barrels on the week but fell by 170,000 barrels on the year to 10.18 million barrels, while its kerosene stocks were unchanged on the week and fell by 1.08 million barrels on the year to 8.37 million barrels and naphtha stocks fell by 600,000 barrels on the week and by 1.27 million barrels on the year to 8.64 million barrels.

IIR Energy reported that US oil refiners are expected to shut in 1.4 million bpd of capacity in the week ending April 5th, increasing available refining capacity by 388,000 bpd from the previous week. The offline capacity is expected to fall to 1.1 million bpd in the week ending April 12th.

Colonial Pipeline Co said its Line 22, a mixed products line on the country's largest fuel network that was shut after a report of a product release on Sunday, has resumed normal operations. Repairs to the line, which runs from Greensboro and Selma, North Carolina was completed on April 2nd.

Early Market Call - as of 8:15 AM EDT

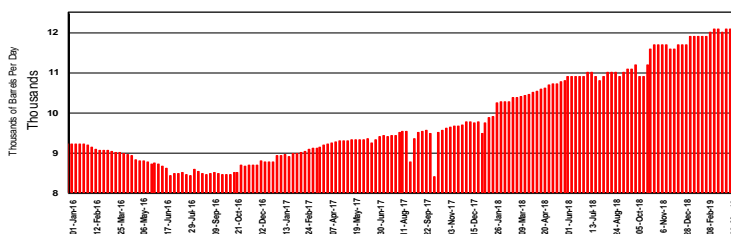
WTI - May \$62.61, up 15 cents
 RBOB - May \$1.9469, down 44 points
 HO - May \$2.0133, up 61 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$2.0068	-\$0.0021	\$0.0254
Jun-19	\$2.0111	-\$0.0016	\$0.0262
Jul-19	\$2.0166	-\$0.0016	\$0.0268
Aug-19	\$2.0240	-\$0.0021	\$0.0270
Sep-19	\$2.0340	-\$0.0026	\$0.0271
Oct-19	\$2.0433	-\$0.0023	\$0.0277
Nov-19	\$2.0514	-\$0.0018	\$0.0279
Dec-19	\$2.0583	-\$0.0013	\$0.0276
Jan-20	\$2.0645	-\$0.0007	\$0.0272
Feb-20	\$2.0640	-\$0.0003	\$0.0262
Mar-20	\$2.0578	-\$0.0004	\$0.0245
Apr-20	\$2.0444	-\$0.0003	\$0.0226
May-20	\$2.0343	-\$0.0002	\$0.0213
Jun-20	\$2.0279	-\$0.0001	\$0.0198
Jul-20	\$2.0257	-\$0.0002	\$0.0184
Aug-20	\$2.0249	-\$0.0004	\$0.0180
Sep-20	\$2.0257	-\$0.0004	\$0.0177

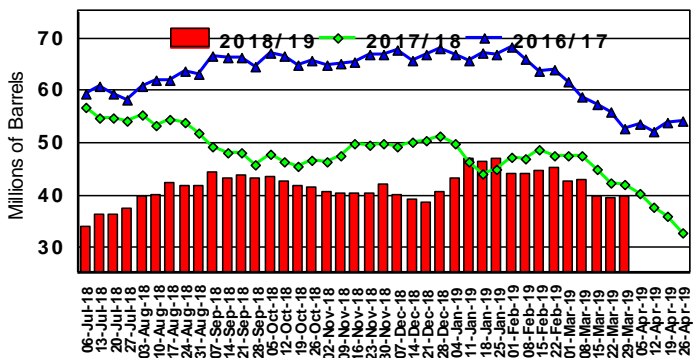
Sprague HeatCurve Oct 2019-Apr 2020		\$2.0575	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread	\$62.5200	-\$0.0900
Crude - Brent		\$69.3100	-\$0.0600
Natural Gas	\$6.79	\$2.6770	-\$0.0070
Gasoline		\$1.9512	\$0.0227

U.S. Domestic Crude Production



Weekly EIA Petroleum Status Report for the Week Ending March 29, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 7.238 million barrels
 Cushing, OK Crude Stocks Up 201,000 barrels
Gasoline Stocks Down 1.781 million barrels
Distillate Stocks Down 1.998 million barrels
Refinery % Operated 86.4%, Down 0.2%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 29, 2019	Week Ending Mar 22, 2019	Week Ending Mar 30, 2018
New England	6.2	6.6	6.1
Central Atlantic	20.7	21.9	23.5
Total PADD #1	39.6	39.4	42.0
Distillate Imports (thousands b/d)	116	162	82

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