

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures jumped to their highest settlement since 2019 on Friday following a stronger-than-expected U.S. jobs report, and extended Thursday's gains on the decision by OPEC and its allies to keep production cuts in place through April. For the first time since October of 2018, WTI settled above \$66, as the news from OPEC+ continued to send shockwaves throughout the oil market. April WTI gained \$2.26, or 3.5% to settle at \$66.09 a barrel, logging a weekly gain of 7.5%. Brent for May delivery tacked on \$2.62, or 3.9%, to finish the week at \$69.36 a barrel, up 7.7% on the week. April RBOB added 3.3%, to close at \$2.0647 a gallon, the highest level for a front month contract since April 2019, and up almost 5.9% on the week. April heating oil tacked on 2.5%, to settle at \$1.944 a gallon, up almost 5.5% on the week.

Technical Analysis: After pulling back toward \$60 a barrel during the week, April WTI reversed to the upside, suggesting that bulls are in control. The break above \$65 was crucial, leaving this market with the potential of stretching toward \$70 and even possibly \$75. Goldman Sachs on Friday suggested that WTI could get as high as \$80 a barrel. That being said this market is a bit overdone to the upside, and pullback could spark a bloodbath. Demand due to COVID-19 is still a major factor and if we do not start to signs of growth in that direction, we could easily be right back at \$55. Support is seen at \$65 and below that at \$63.90.

Fundamental News: The U.S. Department of Energy sold all 10.1 million barrels of crude oil offered from its SPR in recent tender sale. Deliveries are set to April and May, with early deliveries available in March. The DOE awarded contracts to Glencore, Marathon Petroleum, Motiva Enterprises, Phillips 66, Shell Trading Co, Valero and the Government of Australia.

U.S. energy firms this week added oil and natural gas rigs for a second consecutive week. Baker Hughes reported that the oil and gas rig count increased by 1 to 403 in the week ending March 5th. It reported that oil rigs increased by 1 to 310 this week, the highest level since May, while gas rigs were unchanged at 92.

Commodity data company, Kpler noted ULSD cargoes continued to flow from Europe to the United States, with around 104,259 mt sent from the ARA to the USAC during the week of March 3rd. Meanwhile gasoil inland inventories in Germany and Switzerland were reportedly near capacity. The company also estimated exports of gasoline from NWE to the USAC will be around 1.64 million barrels in the week of March 5th, basically unchanged from the previous week but up some 730,000 barrels from a month ago.

Goldman Sachs Commodities Research raised its Brent forecast for the second and third quarter by \$5/barrel after OPEC and its allies kept their output deal unchanged, and said 'discipline of shale producers' is likely behind the group's slower output increase. Goldman Sachs now sees Brent prices at \$75/barrel in second quarter and at \$80/barrel in the third quarter of 2021. The bank lowered its OPEC+ production forecast by 900,000 bpd over the next six months, and said shale, Iran and non-OPEC supplies are likely to remain highly inelastic to prices until the second half of 2021, allowing OPEC+ to quickly rebalance the oil market. It raised its 2022 U.S. shale production forecast by 300,000 bpd.

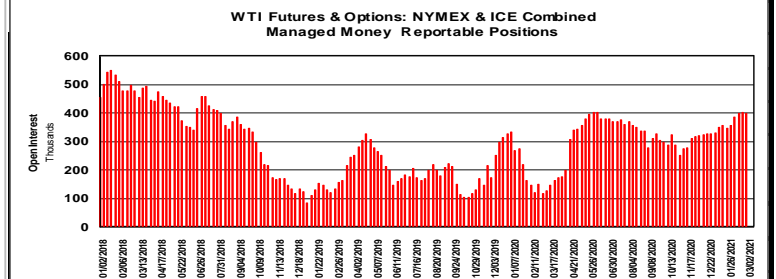
IIR Energy reported that U.S. oil refiners are expected to shut in 5 million bpd of capacity in the week ending March 5th, increasing available refining capacity by 2.4 million bpd from the previous week. Offline capacity is expected to fall to 3.7 million bpd in the week ending March 12th and to 2.9 million bpd in the week ending March 19th.

Early Market Call - as of 8:30 AM EDT

WTI - Apr \$66.01, up 1 cent
 RBOB - Apr \$2.0558, down 89 points
 HO - Apr \$1.9352, down 88 points

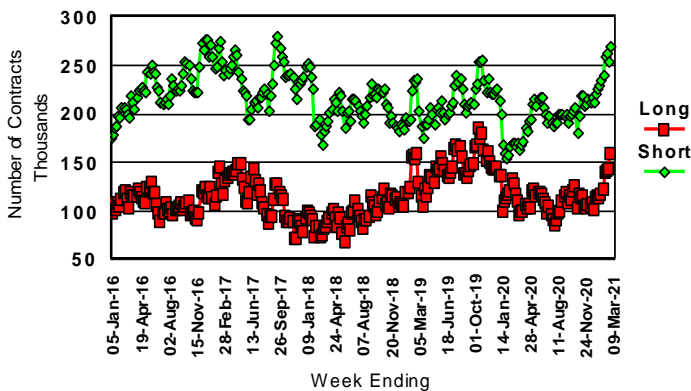
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.9440	0.0480	-0.1009
May-21	1.9419	0.0497	-0.1070
Jun-21	1.9385	0.0503	-0.1096
Jul-21	1.9357	0.0503	-0.1107
Aug-21	1.9335	0.0502	-0.1108
Sep-21	1.9321	0.0497	-0.1091
Oct-21	1.9311	0.0491	-0.1077
Nov-21	1.9300	0.0483	-0.1061
Dec-21	1.9271	0.0475	-0.1042
Jan-22	1.9256	0.0466	-0.1033
Feb-22	1.9214	0.0460	-0.1030
Mar-22	1.9115	0.0453	-0.1030
Apr-22	1.8949	0.0447	-0.1029
May-22	1.8839	0.0441	-0.1020
Jun-22	1.8753	0.0436	-0.1012
Jul-22	1.8731	0.0432	-0.1005
Aug-22	1.8713	0.0428	-0.0997

Sprague HeatCurve October 2021-April 2022		\$1.9211
	Close	Change
Crude - WTI	\$65.9200	\$2.3000
Crude - Brent	\$69.3600	\$2.6200
Natural Gas	\$2.7010	-\$0.0450
Gasoline	\$2.0647	\$0.0668



Commitment of Traders Report for the Week Ending March 2, 2021

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

