

Market Commentary

Recap: Oil futures ended at their highest level in a week on Tuesday after OPEC and its allies surprised the market by meeting a day earlier than scheduled, and decided to keep their current plan to gradually raise production in place. The meeting was supposed to take place on Wednesday. The decision by the group was made amid increasing concerns that the rising number of COVID-19 cases in India could lead to a drastic decrease in demand. Adding to the risk on prices is the talks between the U.S. and Iran in an effort to restore the Iranian nuclear deal, which are said to be going well. A deal would likely lead the U.S. to lift sanctions on Iran, allowing Iran to bring more oil into the global market. June WTI rose \$1.03, or 1.7%, to close at \$62.94 a barrel, while June Brent added 77 cents, or 1.2%, to settle at \$66.42 a barrel. Petroleum products were also up on the day, with May RBOB adding 2.1%, to settle at \$2.02 a gallon and May heating oil tacking on 1.5%, to settle at \$1.91 a gallon.

Market Outlook: June WTI bounced off of the 50-day moving average, to break above \$62.27, the top of the consolidation pattern, and then barreled through the 10-day moving average. Wednesday's strong finish is a sign that market bulls have not given up on this market, despite the rising number of coronavirus cases. The break above \$62.27 sets this market up for a test at the April high of \$64.38. A push through this level will shift the major trend to the upside. \$65 will play the role of psychological resistance with additional resistance set at \$66.40. We first have to see if this market can sustain itself above \$62.27, if not we would continue to look for dips down toward \$60.

Fundamental News Four OPEC+ sources said OPEC and its allies will stick to plans to ease oil output cuts from May 1st. The group will not hold a ministerial meeting on Wednesday following Tuesday's meeting of ministers who are members of a market monitoring panel. OPEC+ ministers will hold their next meeting on June 1st to adjust the existing output deal if required. According to a statement made after the meeting, OPEC+ compliance with the output cuts in March was 115%. The meeting emphasized the ongoing positive contributions in rebalancing of the global oil market in line with the decisions taken at its previous meeting. The meeting noted the significant additional voluntary supply cut of 1 million bpd made by Saudi Arabia in April and a gradual return of these volumes in May, June and July. It noted that OECD inventories increased by 14.4 million barrels in March and were 77.4 million barrels over the 2015-2019 average.

Ahead of the OPEC ministerial meeting, Kuwait's Oil Minister, Mohammad Abdulatif al-Fares, said global demand for crude oil "improved noticeably" as a result of COVID-19 vaccine rollouts and economic stimulus in major economies. He said "OPEC's policy is to deal carefully with the latest market developments".

Russia's Deputy Energy Minister, Pavel Sorokin, said he sees oil prices of \$45-50/barrel as the "long-term balancing price".

Motorists taking weekend trips have helped increase gasoline demand in the United States, China and the United Kingdom, but the recovery has been hampered by rising coronavirus infection rates elsewhere, particularly India. The EIA forecast fuel consumption worldwide is due to increase about 6% this year from 2020 to 97.7 million bpd. However, increasing infection rates and lockdowns in Europe and Asia have capped fuel use, especially in India, which recently recorded the highest daily tally of COVID-19 infections by any nation during the pandemic.

Early Market Call - as of 8:05 AM EDT

WTI - June \$63.56, up 62 cents
 RBOB - May \$2.0339, up 1.35 cents
 HO - May \$1.9203, up 1.46 cents

All NYMEX | Prior Settlements

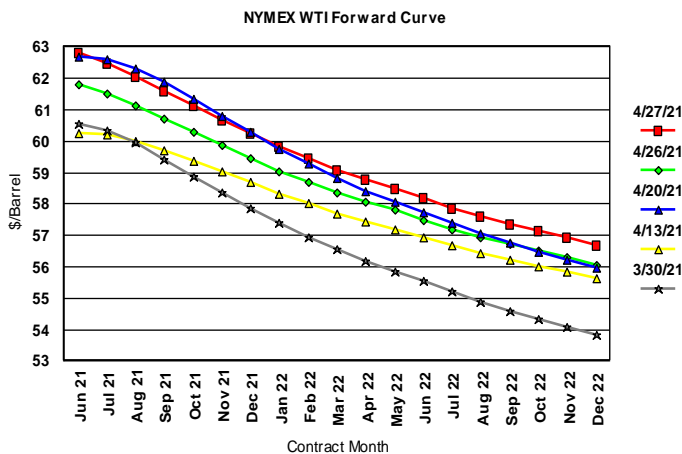
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	\$1.9057	\$0.0272	-\$0.0256
Jun-21	\$1.9071	\$0.0263	-\$0.0251
Jul-21	\$1.9090	\$0.0266	-\$0.0240
Aug-21	\$1.9114	\$0.0266	-\$0.0230
Sep-21	\$1.9155	\$0.0262	-\$0.0229
Oct-21	\$1.9192	\$0.0260	-\$0.0229
Nov-21	\$1.9221	\$0.0259	-\$0.0231
Dec-21	\$1.9230	\$0.0257	-\$0.0237
Jan-22	\$1.9242	\$0.0254	-\$0.0242
Feb-22	\$1.9222	\$0.0250	-\$0.0248
Mar-22	\$1.9159	\$0.0246	-\$0.0255
Apr-22	\$1.9051	\$0.0245	-\$0.0266
May-22	\$1.8998	\$0.0244	-\$0.0281
Jun-22	\$1.8964	\$0.0241	-\$0.0295
Jul-22	\$1.8976	\$0.0238	-\$0.0293
Aug-22	\$1.8992	\$0.0236	-\$0.0295
Sep-22	\$1.9015	\$0.0233	-\$0.0298

Sprague HeatCurve October 2021-April 2022		\$1.9201
	Close	Change
Crude - WTI	\$62.9400	\$1.0300
Crude - Brent	\$66.4200	\$0.7700
Natural Gas	\$2.8730	\$0.0830
Gasoline	\$2.0204	\$0.0418

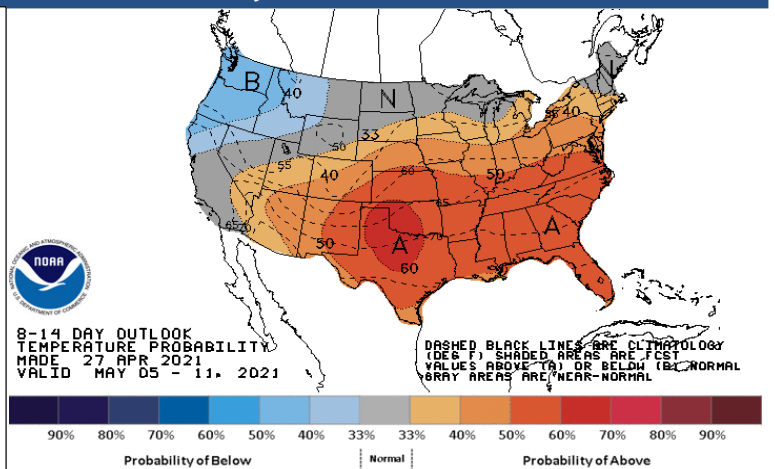
API Report for the Week Ending April 23, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.3 million barrels	Down 200,000 barrels
Cushing, OK Crude Stocks	Up 700,000 barrels	
Gasoline Stocks	Down 1.3 million barrels	Unchanged
Distillate Stocks	Down 2.4 million barrels	Down 1.2 million barrels
Refinery Runs		Up 0.3%
Crude Imports		

WTI Forward Curve



8-14 Day Weather Forecast



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