

Market Commentary

Recap: Crude oil prices slipped on Thursday, pressured by robust U.S. inventories and surging U.S. production. June futures were at \$60.95 at 11:59 ET, down \$2.65, or 4.1 percent, while July Brent slipped to a session low of \$69.68, down \$2.50 or 3.4 percent. U.S. crude oil inventories have risen five out of the last six weeks, offsetting concerns that global oil supplies are tightening. After falling to their lowest level in four-weeks, oil prices recovered after garnering support from increased sanctions on Iran and political turmoil in Venezuela. June WTI worked its way back toward \$62.00, to finish the session at 461.81 a barrel, down \$1.79, or 2.81 percent, while July Brent edged toward \$71.00 a barrel, to settle at \$70.75 a barrel, down \$1.43, or 1.98 percent. June RBOB lost 2.2% to \$2.018 a gallon, while June heating oil fell 0.8% to \$2.078 a gallon.

Technical Analysis: June WTI sliced through the \$61.70, the 200-day moving average and dipped briefly below \$61.28, the bottom of the ascending channel, while holding above \$60.72, the 50-day moving average. As long as this spot contract settles above the bottom trend line on the aforementioned channel, the major trend will remain 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: OPEC's Secretary General, Mohammad Barkindo, was quoted by the Iranian Oil Ministry as saying that OPEC tries to depoliticize oil following accusations by Iran that the US is using oil as a weapon against Tehran. OPEC's Secretary General said "it is impossible to eliminate Iranian oil from the market." Meanwhile, Iran's Oil Minister, Bijan Zanganeh, said that Iran will not remain silent if other OPEC members threaten its interests, after meeting OPEC's Secretary General, Mohammad Barkindo. He warned that OPEC may collapse because of unilateral actions by some members.

India's Foreign Ministry spokesman, Raveesh Kumar, said the country is ready to deal with the impact of US sanctions imposed against Iran and will obtain extra supplies from other oil producing countries to compensate for the loss of Iranian oil. India has halted its imports of Iranian crude in May after the US ended the six month waiver that allowed Iran's top eight customers, including India, to import limited volumes.

Turkey's Foreign Minister, Mevlut Cavusoglu, said the country is not able to diversify its oil imports easily after the US waivers on oil purchases from Iran ended starting in May. He said Turkey's refineries are not suitable for other countries' oil and added that the US should review its decisions on the issue.

Russia's Energy Ministry confirmed that clean oil reached Belarus via the Druzhba pipeline on Thursday. It also confirmed that Russian oil flows to the Baltic Sea port of Ust Luga are expected to return to normal quality by May 5-6 after a case of contamination in April. Poland's Energy Ministry has decided to release mandatory oil reserves to secure output at domestic refineries after the suspension of contaminated oil deliveries from Russia in April.

Russia's Energy Ministry reported that the country's oil production fell to 11.23 million bpd in April from 11.3 million bpd in March, but remained above levels targeted in the OPEC and non-OPEC output cut agreement. Russia had pledged to cut its output by 228,000 bpd to about 11.18 million bpd from the 11.41 million bpd it produced in October 2018, the baseline for the supply agreement. Russia's Energy Minister, Alexander Novak, said Russia's oil production in May would be in line with the agreed level.

Early Market Call - as of 8:55 AM EDT

WTI - June \$62.04, up 23 cents
 RBOB - June \$2.0225, up 43 points
 HO - June \$2.0730, down 51 points

All NYMEX | Prior Settlements

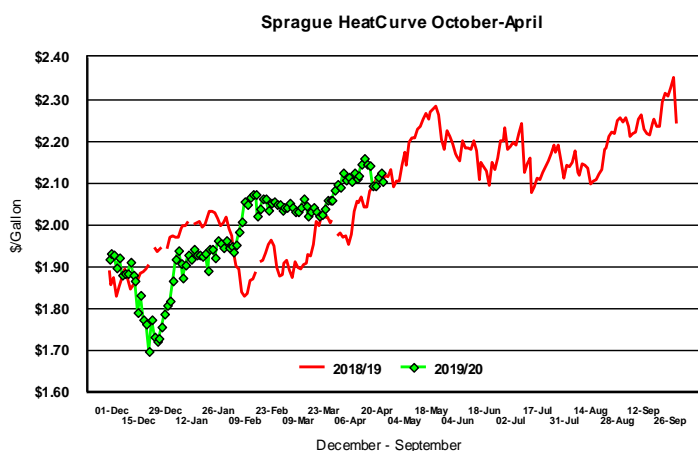
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-19	\$2.0778	-\$0.0164	-\$0.0227
Jul-19	\$2.0788	-\$0.0182	-\$0.0279
Aug-19	\$2.0822	-\$0.0196	-\$0.0318
Sep-19	\$2.0897	-\$0.0201	-\$0.0346
Oct-19	\$2.0974	-\$0.0208	-\$0.0368
Nov-19	\$2.1039	-\$0.0211	-\$0.0376
Dec-19	\$2.1084	-\$0.0215	-\$0.0379
Jan-20	\$2.1108	-\$0.0219	-\$0.0385
Feb-20	\$2.1059	-\$0.0225	-\$0.0394
Mar-20	\$2.0953	-\$0.0231	-\$0.0402
Apr-20	\$2.0792	-\$0.0237	-\$0.0398
May-20	\$2.0672	-\$0.0243	-\$0.0391
Jun-20	\$2.0585	-\$0.0247	-\$0.0387
Jul-20	\$2.0530	-\$0.0250	-\$0.0383
Aug-20	\$2.0483	-\$0.0253	-\$0.0381
Sep-20	\$2.0446	-\$0.0256	-\$0.0385
Oct-20	\$2.0423	-\$0.0260	-\$0.0387

Sprague HeatCurve Oct 2019-Apr 2020		\$2.1025	
Other Front Month NYMEX		Close	Change
Crude - WTI	July Brent-	\$61.9000	-\$1.7900
Crude - Brent	WTI Spread	\$70.7500	-\$1.4300
Natural Gas	\$8.85	\$2.5890	-\$0.0310
Gasoline		\$2.0183	-\$0.0459

EIA Working Gas Storage Report

	26-Apr-19	19-Apr-19	Change	Year Ago
East	279	251	28	220
Midwest	290	264	26	220
Mountain	75	70	5	86
Pacific	152	138	14	186
South Central	666	616	50	623
Salt	224	204	20	189
Nonsalt	442	413	29	434
Total	1,462	1,339	123	1,334

Sprague HeatCurve October-April



ICE July Brent-WTI Spread

