

Market Commentary

Recap: Oil prices began the session trading slightly above unchanged, gradually moving higher in overnight trading. Across the board declines in U.S. petroleum stocks halted an early morning retreat, propelling oil prices to their highest level since December of 2014. May WTI jumped to a high of \$68.45 immediately after the release of the report, but by mid-day slipped to just above \$67.50. Geopolitical tensions, combined with Saudi efforts to push prices to \$80 per barrel propped up prices once again, with May WTI topping the session at \$68.72, which was achieved after the market had settled for the day. May WTI settled at \$68.47 a barrel, up \$1.95, or 2.93%. May RBOB rose 1.3% to \$2.068 a gallon, while May heating oil gained 1.7% to \$2.091 a gallon.

Fundamental News: Three industry sources said that Saudi Arabia would be happy to see crude prices rise to \$80/barrel or even \$100/barrel, a sign that the country will seek no changes to an OPEC supply cut agreement even though the agreement's original target is within sight. Over the past year, Saudi Arabia has emerged as OPEC's leading supporter of measures to increase prices, a change from its more moderate stance in earlier years. Industry sources have linked this shift in Saudi Arabia's stance to its desire to support the valuation of Saudi Aramco ahead of its planned sale of a minority stake in an initial public offering.

RIA news agency reported that Russian Energy Minister, Alexander Novak, said he would meet his Saudi Arabian counterpart, Khalid al-Falih, on April 20th. The Joint OPEC-Non-OPEC Ministerial Monitoring Committee will hold talks later this week in Saudi Arabia. Russia's Energy Minister is due to take part in the meeting.

The Joint Organizations Data Initiative reported that Saudi Arabia's crude output in February fell by 48,000 bpd on the month to 9.935 million bpd. Saudi Arabia's crude oil exports in February increased to 7.251 million bpd from 7.17 million bpd in January, while its oil product exports increased by 88,000 bpd to 2 million bpd. It also reported that Saudi Arabia's crude stocks fell by 3.88 million barrels to 236.928 million barrels in February. Its domestic refinery crude throughput fell by 142,000 bpd to 2.48 million bpd in February.

According to the head of the IEA's oil industry and market division, Neil Atkinson, the shipping industry and oil refineries are not doing enough to prepare for new rules cutting the amount of sulfur that vessels can emit from 2020. The new rules cut the amount of Sulphur that the world's ships can emit, from 3.5% currently to just 0.5%. Analysts expect fuel oil demand to fall by 2-3.5 million bpd as a result.

IIR reported that US oil refiners are expected to shut in 1.157 million bpd of capacity in the week ending April 20th, cutting available refining capacity by 53,000 bpd from the previous week. IIR expects offline capacity to increase to 1.237 million bpd in the week ending April 27th.

Enbridge reported that line 4/67 nominations are at 43% apportionment for May while line 2/3 nominations are at 31% apportionment for May.

Two 60,000 ton tankers were storing gasoline off the coast of northwest Europe, down from as much as 400,000 tons of floating storage earlier this month. Exports from Europe to the US East Coast remained relatively low due to weak arbitrage economics but activity was expected to increase ahead of the summer and as US inventories decline.

Early Market Call - as of 8:30 AM EDT

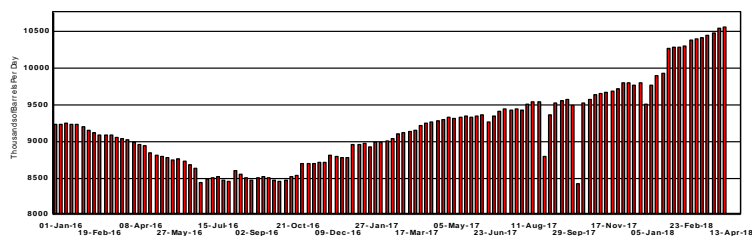
WTI - May \$69.34, up 87 cents
 RBOB - May \$2.0835, up 1.53 cents
 HO - May \$2.1176, up 2.61 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.0911	\$0.0340	-\$0.0016
Jun-18	\$2.0883	\$0.0356	\$0.0053
Jul-18	\$2.0868	\$0.0361	\$0.0115
Aug-18	\$2.0861	\$0.0361	\$0.0146
Sep-18	\$2.0877	\$0.0359	\$0.0164
Oct-18	\$2.0892	\$0.0370	\$0.0198
Nov-18	\$2.0894	\$0.0377	\$0.0223
Dec-18	\$2.0871	\$0.0377	\$0.0228
Jan-19	\$2.0855	\$0.0374	\$0.0232
Feb-19	\$2.0790	\$0.0362	\$0.0228
Mar-19	\$2.0659	\$0.0355	\$0.0227
Apr-19	\$2.0473	\$0.0347	\$0.0214
May-19	\$2.0334	\$0.0340	\$0.0200
Jun-19	\$2.0228	\$0.0334	\$0.0196
Jul-19	\$2.0201	\$0.0330	\$0.0198
Aug-19	\$2.0199	\$0.0325	\$0.0200
Sep-19	\$2.0231	\$0.0319	\$0.0206

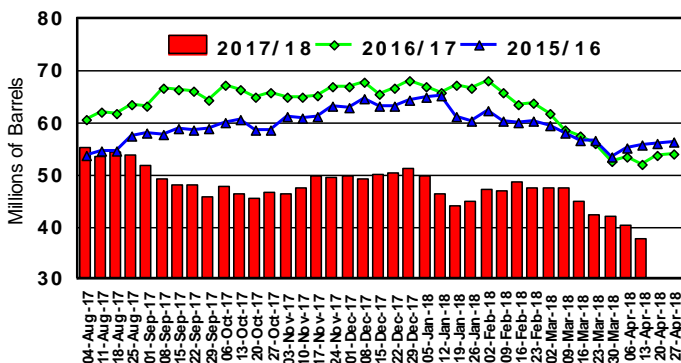
Sprague HeatCurve Oct 2018-April 2019			\$2.0789
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-WTI Spread	\$68.4700	\$1.9600
Crude - Brent		\$73.4800	\$1.9000
Natural Gas	\$5.01	\$2.7390	\$0.0010
Gasoline		\$2.0683	\$0.0271

U.S. Domestic Crude Production



EIA Weekly Petroleum Status Report for the Week Ending April 13, 2018

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.071 million barrels
 Cushing, OK Crude Stocks Down 1.115million barrels
Gasoline Stocks Down 2.968 million barrels
Distillate Stocks Down 3.107 million barrels
Refinery % Operated 92.4%, Down 1.1%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 13, 2018	Week Ending April 06, 2018	Week Ending Apr 14, 2017
New England	5.6	5.9	7.3
Central Atlantic	20.6	22.2	31.0
Total PADD #1	37.7	40.1	51.9
Distillate Imports (thousands b/d)	101	122	166