

Market Commentary

Recap: WTI traded higher on Friday, following through to the upside after yesterday's strong gains, as data showed demand for crude picking up in China after the easing of curbs to stem the coronavirus outbreak, boosting hopes that the global supply overhang may start to fade. June WTI rose \$1.87, or 6.8%, to settle at \$29.43 a barrel, for a weekly gain of 19%. The July contract, the most actively traded, added \$1.64, or 5.9%, to settle at \$29.52 a barrel. July Brent settled at \$32.50 a barrel, up \$1.37, or 4.4%, for a weekly gain of 4.9%. June RBOB tacked on 6.1% to 97.02 cents a gallon, ending 1.9% higher for the week, while June heating oil added 2.9% to 92.04 cents a gallon, for a weekly rise of nearly 2.4%.

Technical Analysis: WTI rallied significantly during the week, stretching toward the \$30 level. Prices gained as major producers cut back on production as the rig count in the U.S. has been cut in half. Above \$30, there is a gap up toward \$42, making this the prominent objective. However, one must bear in mind the state of the global economy amid the coronavirus pandemic. This factor will continue to weigh on this market, making upside moves a struggle. Support is set at \$27.70 and below that at \$25.30.

Fundamental News: The number of US oil and natural gas rigs operating fell to an all-time low for a second consecutive week as energy firms cut spending on new drilling after oil prices collapsed due to a fall in demand amid global lockdowns to stop the coronavirus pandemic. According to Baker Hughes, the rig count fell by 35 to a record low of 339 in the week to May 15th. The number of rigs searching for oil fell by 34 to 258 in the week ending May 15th, the lowest since July 2009.

Exports of diesel from the US Gulf Coast to Europe are expected to rise due to a sharp increase in US inventories and a drop in transatlantic freight rates. Imports from Asia and the Middle East to Europe are also set to rise sharply in May, traders said.

Nigeria's Minister of State for Petroleum, Timipre Sylva, said the country has cut its oil production to bring its output into line with an agreement among producers to curb output. Nigeria has cut about 417,000 bpd, which is about 23% of its production. Under the deal, Nigeria should cap production at 1.41 million bpd in May and June.

Omani Oil Minister, Mohammed al-Rumhy, said the country is considering cutting its oil output in June by another 10,000 to 15,000 bpd, after Saudi Arabia and other Gulf OPEC producers also made additional cuts to reduce a global glut.

Russia's oil and gas condensate production fell to 9.43 million bpd on May 1st-14th as a global deal on reducing output took effect. That was down from 11.35 million bpd in April and 9.45 million bpd on May 1st-11th.

IIR Energy reported that US oil refiners are expected to shut in about 4.2 million bpd of capacity in the week ending May 15th, increasing available refining capacity by 338,000 bpd from the previous week. Offline capacity is expected to fall to 2.7 million bpd in the week ending May 22nd and further down to 2.2 million bpd in the week ending May 29th.

Early Market Call - as of 9:00 AM EDT

WTI - June \$32.18, up \$2.75

RBOB - June \$1.0303, up 6.02 cents

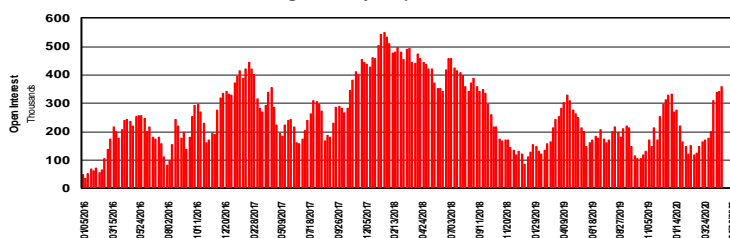
HO - June \$.9834, up 6.30 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-20	0.9204	0.0256	-0.0211
Jul-20	0.9548	0.0249	-0.0152
Aug-20	0.9878	0.0251	-0.0112
Sep-20	1.0201	0.0253	-0.0097
Oct-20	1.0461	0.0234	-0.0057
Nov-20	1.0662	0.0218	-0.0030
Dec-20	1.0809	0.0208	-0.0026
Jan-21	1.0958	0.0198	-0.0029
Feb-21	1.1087	0.0191	-0.0031
Mar-21	1.1186	0.0186	-0.0022
Apr-21	1.1248	0.0182	-0.0020
May-21	1.1348	0.0169	0.0002
Jun-21	1.1467	0.0157	0.0022
Jul-21	1.1650	0.0149	0.0028
Aug-21	1.1819	0.0144	0.0027
Sep-21	1.1955	0.0141	0.0021
Oct-21	1.2067	0.0139	0.0009

Sprague Heat Weighted Strip October -April 20/2021			\$1.0947
	Close		Change
Crude - WTI	June Brent-WTI Spread \$2.98	\$29.5200	\$1.6400
Crude - Brent		\$32.5000	\$1.3700
Natural Gas		\$1.6460	-\$0.0350
Gasoline		\$0.9702	\$0.0557

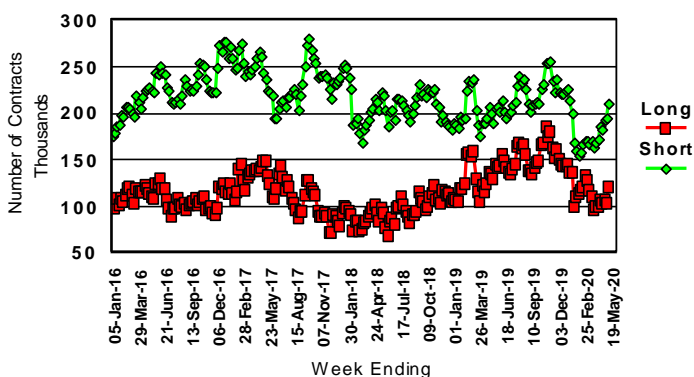
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending May 12, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

