

Market Commentary

Recap: Oil futures rebounded on Wednesday as tensions between the U.S. and Iran heat up and declines in U.S. crude output sparked a rebound from a 21-year low and as a smaller than expected build in U.S. gasoline stocks lifted RBOB prices. President Trump tweeted that he has "instructed the U.S. Navy to shoot down and destroy any and all Iranian gunboats if they harass our ships at sea." June WTI rose \$2.21, or 19.1%, to settle at \$13.78 a barrel, while June Brent tacked on \$1.04, or 5.4%, to settle at \$20.37 a barrel. At one point, the contract, however, had skidded to an intraday low of \$15.98 a barrel in electronic trade, which would have put the contract around its lowest levels since 1999, according to FactSet data, based on the most-active contract. May RBOB added 12.81 cents, or 25.1%, to 63.84 cents a gallon—the largest one-day percentage gain since 2000. May heating oil added less than half a cent, or 0.6% to 73.11 cents a gallon.

Technical Analysis: After falling to a session low of -\$17.56, the June/Dec WTI spread finished little changed at -\$15.20. Believing that Wednesday's move was nothing more than a knee jerk reaction to the above mentioned, we are still bearish on this market overall, and therefore would look to see this spread fall into deeper contango market conditions. On an outright basis, our stance remains the same and that obviously is to the downside. We would like to sell run-ups in June toward the \$20.00 level. Above this level, additional resistance is set at \$23.70 and \$25.00, with support set at \$10.00.

Fundamental News: Oil traders are struggling to find enough ships, railcars, caverns and pipelines to store fuel as more conventional storage facilities fill up. According to traders and shipping data, dozens of oil tanker vessels have been booked in recent days to store at least 30 million barrels of jet fuel, gasoline and diesel at sea, acting as floating storage, as on-land tanks are full or already booked. That is in addition to about 130 million barrels of crude already in floating storage.

Shipping and trade sources stated that Saudi Arabia is looking to re-routing millions of barrels of oil onboard tankers sailing to the US if President Donald Trump decides to block imports of crude from the country. About 40 million barrels of Saudi crude are on their way to the US and due to arrive in the coming weeks.

On Tuesday, Saudi Arabia said that it was ready to take extra measures with other producers, though the next formal OPEC+ meeting is not until June.

Iran's Oil Minister, Bijan Zanganeh, said oil producer countries should respect crude production cuts aimed at stabilizing the oil market. He said OPEC cannot solely handle the current market issues. He urged other producers, including the Shale oil producers to shoulder their responsibilities toward the global challenge to help pass through the crisis. Separately, Iranian President, Hassan Rouhani, said Iran will not suffer as much as other countries from the oil price drop because it is less reliant than others on crude exports.

IIR Energy reported that US oil refiners are expected to have about 4.5 million bpd of capacity offline for the week ending April 24th, cutting available refining capacity by 44,000 bpd from the previous week. Offline capacity is expected to fall to about 3.9 million bpd in the week ending May 1st.

Euroilstock reported that European refineries output in March fell by 9% on the month and by 9.7% on the year to 9.5 million bpd. European gasoline output in March fell by 11.6% on the month and by 8.5% on the year to 2.087 million bpd, while its middle distillates output fell by 8.5% on the month and by 9.3% on the year to 5.042 million bpd and its fuel oil output fell by 5.3% on the month and by 12.9% on the year to 952,000 bpd. European refinery crude intake in March fell by 7.2% on the month and by 7.1% on the year to 9.368 million bpd.

Early Market Call - as of 8:20 AM EDT

WTI - June \$16.61, up \$2.82

RBOB - May \$7.055, up 6.71 cents

HO - May \$7.783, up 4.72 cents

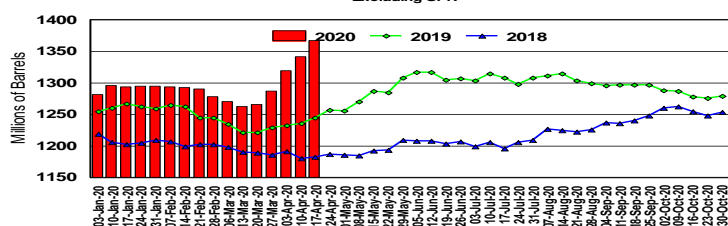
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-20	0.7311	0.0042	0.1827
Jun-20	0.7833	0.0166	0.1674
Jul-20	0.8366	0.0155	0.1608
Aug-20	0.8913	0.0144	0.1533
Sep-20	0.9404	0.0140	0.1476
Oct-20	0.9840	0.0142	0.1400
Nov-20	1.0200	0.0153	0.1307
Dec-20	1.0471	0.0167	0.1236
Jan-21	1.0709	0.0173	0.1189
Feb-21	1.0896	0.0175	0.1150
Mar-21	1.1049	0.0178	0.1109
Apr-21	1.1137	0.0183	0.1075
May-21	1.1242	0.0189	0.1042
Jun-21	1.1361	0.0195	0.1016
Jul-21	1.1543	0.0193	0.1012
Aug-21	1.1718	0.0189	0.1005
Sep-21	1.1859	0.0188	0.1008

Sprague Heat Weighted Strip October -April 20/2021 \$1.0672

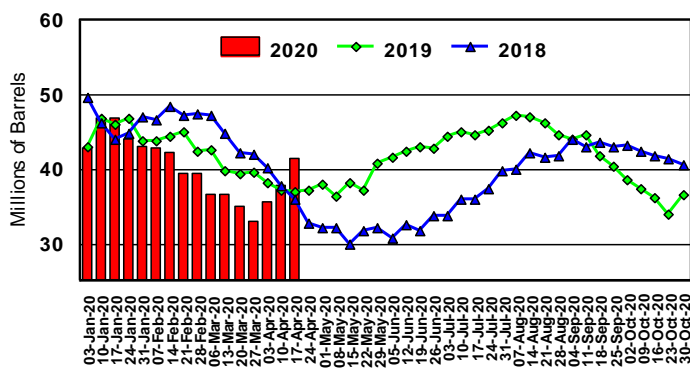
Other Front Month NYMEX	Close	Change
Crude - WTI	\$13.7800	\$2.2100
Crude - Brent	\$20.3700	\$1.0400
Natural Gas	\$1.9390	\$0.1180
Gasoline	\$0.6384	\$0.1281

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 17, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 15.022 million barrels

Cushing, OK Crude Stocks Up 4.776 million barrels

Gasoline Stocks Up 1.017 million barrels

Distillate Stocks Up 7.876 million barrels

Refinery % Operated 67.6%, down 1.5%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 17, 2020	Week Ending Apr 10, 2020	Week Ending Apr 18, 2019
New England	7.2	6.5	5.8
Central Atlantic	19.2	16.9	20.0
Total PADD #1	41.4	37.7	36.9
Distillate Imports (thousands b/d)	88	272	235