

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** The oil market opened 16 cents higher and quickly posted a high of \$63.79 on the opening before the market erased its gains and traded lower. The market was once again pressured after threat of new tariffs on China reignited fears of a trade war between the US and China. On Thursday, President Trump said he ordered US trade officials to consider tariffs on an extra \$100 billion of imports from China. There are fears that the indirect impact is going to be more about a slowdown in global trade and GDP. The crude market traded to \$62.87, where it found some support. However, the market later breached that level and continued to extend its losses as the equities market tumbled. The market fell over \$1.70 as it posted a low of \$61.81 ahead of the close. The May WTI settled down \$1.48 at \$62.06 while the June Brent contract settled down \$1.22 at \$67.11. The product markets also ended in negative territory, with the heating oil market settling down 1.87 cents at \$1.9578 and the RBOB market settling down 2.69 cents at \$1.9547.

**Fundamental News:** Baker Hughes reported that the number of rigs searching for oil increased by 11 to 808 in the week ending April 6<sup>th</sup>.

Lawmakers leading efforts to reform US biofuels regulations are considering a blanket waiver for all small refineries. The draft bill, led by Republican Senator John Cornyn of Texas, adds fuel to a fiery dispute between refiners and corn growers over the future of the Renewable Fuel Standard. The draft legislation would seek to reduce the burden of compliance to the 2005 law by providing a blanket exemption for all US oil refineries classified as small. However it is not yet clear whether small refineries operated by Andeavor, Exxon Mobil Corp or Chevron would be eligible for the blanket exemption. The draft would theoretically cut as much as 10% of America's refining capacity out of the biofuels program.

Russia's Energy Minister, Alexander Novak, said that an arrangement under which Russia cooperates with OPEC could become indefinite once a current deal to cut oil production expires at the end of the year. He reiterated his proposals for the creation of a joint organization with OPEC to facilitate joint efforts on the global oil market. He also said other large oil producers may also join the organization but stopped short of saying that the US may join the body. The next OPEC and non-OPEC ministerial meeting is set for June in Vienna. Separately, Russia's Energy Minister said the country's oil production is expected to remain flat in 2018 from 2017, at about 547 million tons or 10.98 million bpd. Russian oil exports are expected to remain unchanged in 2018 from 2017, at 257 million tons.

Russia's Energy Minister, Alexander Novak, said he does not expect negative consequences for the domestic energy sector from the poisoning of ex-double agent Sergei Skripal in England. He also said that Russian oil and gas producers have adjusted to new reality after the West started imposing sanctions 2014 over Russia's role in the Ukraine crisis and the Kremlin's annexation of Crimea.

A Libyan oil source said Libya's oil output is about 1.05 million bpd despite a continuing outage since February at its 70,000 bpd El Feel oilfield. Another source said production was lately fluctuating more or less around the 1.1 million bpd level. The western El Feel oilfield was shut on February 23<sup>rd</sup> and Libya's National Oil Corp declared force majeure on crude loadings at the Mellitah oil terminal the following day.

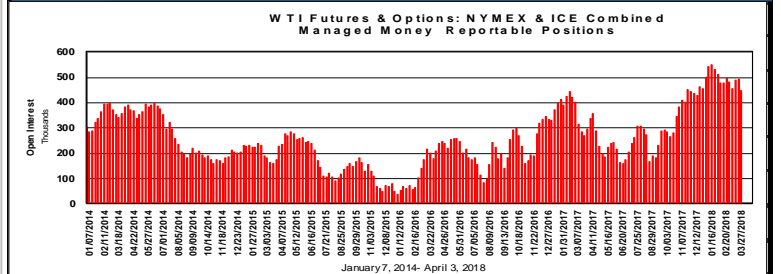
According to Bloomberg, global refinery outages reached 5.53 million bpd in the week ending April 5<sup>th</sup>, down from 5.42 million bpd in the previous week.

**Early Market Call - as of 8:40 AM EDT**

**WTI - May \$62.73, up 67 cents**  
**RBOB - May \$1.9668, up 1.16 cents**  
**HO - May \$1.9809, up 2.23cents**

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$1.9578	-\$0.0187	-\$0.0632
Jun-18	\$1.9544	-\$0.0198	-\$0.0646
Jul-18	\$1.9518	-\$0.0205	-\$0.0662
Aug-18	\$1.9511	-\$0.0200	-\$0.0660
Sep-18	\$1.9534	-\$0.0198	-\$0.0651
Oct-18	\$1.9552	-\$0.0198	-\$0.0638
Nov-18	\$1.9562	-\$0.0199	-\$0.0624
Dec-18	\$1.9561	-\$0.0197	-\$0.0606
Jan-19	\$1.9567	-\$0.0195	-\$0.0595
Feb-19	\$1.9539	-\$0.0196	-\$0.0589
Mar-19	\$1.9446	-\$0.0198	-\$0.0583
Apr-19	\$1.9295	-\$0.0197	-\$0.0556
May-19	\$1.9217	-\$0.0194	-\$0.0522
Jun-19	\$1.9179	-\$0.0188	-\$0.0504
Jul-19	\$1.9175	-\$0.0189	-\$0.0508
Aug-19	\$1.9184	-\$0.0188	-\$0.0504
Sep-19	\$1.9229	-\$0.0182	-\$0.0492

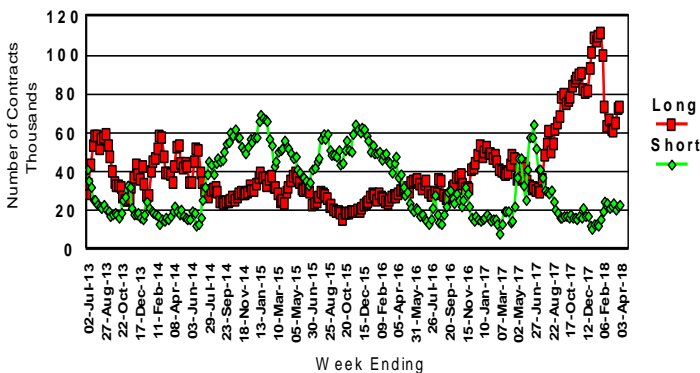
Sprague HeatCurve Oct 2018-April 2019		\$1.9516	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread \$5.01	\$62.1000	-\$1.4400
Crude - Brent		\$67.1100	-\$1.2200
Natural Gas		\$2.7010	\$0.0260
Gasoline		\$1.9547	-\$0.0269



## Commitment of Traders Report for the Week Ending April 3, 2018

### Managed Money Heat Positons

CFTC Commitment of Traders Report



### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

