

## Market Commentary

**Recap:** Oil prices rose to fresh six month highs after OPEC members said they would raise output only if demand warranted it. This comes on the heels of a U.S. decision to end waivers for buyers of Iranian crude oil. June WTI, the new spot month contract, rose \$1.05, to a high of \$66.60 a barrel by 11:16 a.m. EDT, the highest level for a spot contract since October 31. June Brent tacked on 69 cents, to a session high of \$74.73 a barrel, Brent's highest level since November 1. Prices retreated on light profit taking, with June WTI falling 50 cents to a mid-session low of \$66.10 a barrel, and June Brent falling 53 cents to a mid-session low of \$64.20. On a slight rebound, June WTI settled at \$66.30 a barrel, up 75 cents, or 1.14 percent with June Brent adding 47 cents, or 0.63 percent, to settle at \$74.51 a barrel. May RBOB rose less than 0.1% to \$2.132 a gallon and May heating oil climbed by 0.7% to \$2.118 a gallon.

**Technical Analysis:** WTI continued to gather strength above \$65.35, the 62% retracement set by the December low of \$43.70 and the October high of \$78.74. We would look for continued strength above this level, with attempts to test \$67.50. Support is set at \$64.39 and below that at \$63.22.

**Fundamental News:** Iran's parliament passed a bill on Tuesday requiring the government take firm steps to respond to terrorist actions by US forces, retaliating against the US' blacklisting of Iran's Revolutionary Guards.

Iran's Oil Minister, Bijan Zanganeh, said the US has made a bad mistake by politicizing oil and using it as a weapon. He said the US will not achieve its dream of cutting Iran oil exports to zero.

White House economic adviser, Larry Kudlow, said that President Donald Trump's decision to tighten US sanctions on Iranian oil will not result in higher oil prices.

The IEA said global oil markets are adequately supplied and spare production capacity remained at comfortable levels, while highlighting the need to avoid higher oil prices.

China's Foreign Ministry on Tuesday formally complained to the US over its decision to end waivers on sanctions on Iranian oil imports, adding another fault line to already complicated US-China relations.

Saudi Arabia's Foreign Minister, Ibrahim al-Assaf, welcomed a US decision to end all Iran sanction waivers by May, saying it was a necessary step to halt Iran's "destabilizing" policy in the region. He reiterated a statement issued by Saudi Arabia's Energy Minister that the country would coordinate with other oil producers to ensure an adequate crude supply and balanced markets.

Goldman Sachs expects the US' decision to end waivers from sanctions on imports of Iranian oil to have a limited impact on prices, even though the timing of the halt is much more sudden than expected.

Operator Aiteo said a fire at Nigeria's oil exporting Nembe Creek Trunk Line reported on Sunday has been completely extinguished. The company declared force majeure and closed the 150,000 bpd pipeline over the weekend. Investigations on the cause of the fire are ongoing, but Aiteo said it suspected sabotage. Royal Dutch Shell said operations continued at the Bonny Light terminal but did not state whether the NCTL closure had impacted exports. Shell pumps a large amount of Bonny Light crude through the NCTL.

According to the latest Platts OPEC survey, Venezuela's oil output in March averaged 740,000 bpd, a 16-year low, due to power outages and sanctions.

**Early Market Call - as of 8:25 AM EDT**

WTI - June \$66.25, down 5 cents  
 RBOB - May \$2.1057, down 2.59 cents  
 HO - May \$2.1090, down 88 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$2.1180	\$0.0140	\$0.0358
Jun-19	\$2.1202	\$0.0136	\$0.0362
Jul-19	\$2.1261	\$0.0138	\$0.0372
Aug-19	\$2.1329	\$0.0137	\$0.0375
Sep-19	\$2.1427	\$0.0140	\$0.0378
Oct-19	\$2.1521	\$0.0140	\$0.0387
Nov-19	\$2.1593	\$0.0139	\$0.0388
Dec-19	\$2.1641	\$0.0137	\$0.0386
Jan-20	\$2.1669	\$0.0134	\$0.0376
Feb-20	\$2.1626	\$0.0132	\$0.0361
Mar-20	\$2.1527	\$0.0129	\$0.0345
Apr-20	\$2.1362	\$0.0126	\$0.0328
May-20	\$2.1234	\$0.0125	\$0.0313
Jun-20	\$2.1138	\$0.0124	\$0.0297
Jul-20	\$2.1075	\$0.0121	\$0.0274
Aug-20	\$2.1023	\$0.0119	\$0.0250
Sep-20	\$2.0990	\$0.0117	\$0.0228

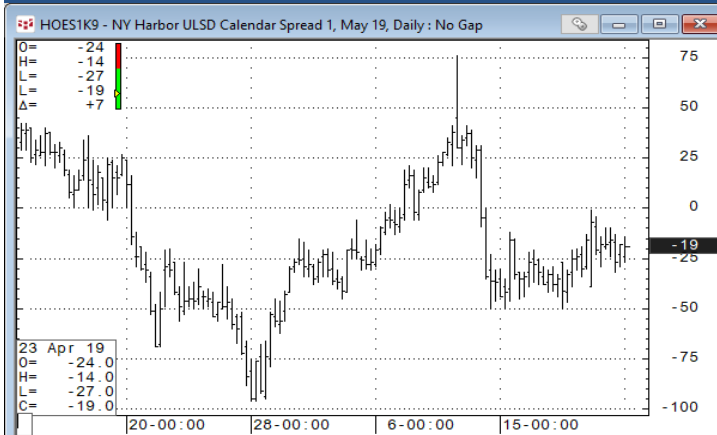
### Sprague HeatCurve Oct 2019-Apr 2020 \$2.1588

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$66.3000	\$0.7500
Crude - Brent	WTI Spread	\$74.5100	\$0.4700
Natural Gas	\$8.21	\$2.4550	-\$0.0690
Gasoline		\$2.1316	\$0.0018

### API Weekly Report for the Week Ending April 19, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 6.9 million barrels	Up 1.3 million barrels
Cushing, OK Crude Stocks	Down 389,000 barrels	Up 80,000 barrels
Gasoline Stocks	Up 2.2 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 865,000 barrels	Down 1.2 million barrels
Refinery Runs	Up 225,000 bpd	Up 0.6% at 88.3%

## NYMEX Heating Oil May-June Spread



## NYMEX RBOB May-June Spread

