

Market Commentary

Recap: Oil prices pared early gains of more than 10%, with Brent briefly trading in negative territory after the EIA released an overwhelmingly bearish U.S. inventory report. Crude oil inventories rose by a record 15.2 million barrels, even as production was cut by 600,000 barrels per day, to 12.4 million bpd. Prices did strengthen ahead of settlement on hopes that OPEC+ would reach an agreement in regard to production cuts. However, the agreement seems to hinge on the U.S. taking part in the cuts, which adds an element of uncertainty an agreement will be reached as Washington has been signaling a clear unwillingness to impose any production cuts on U.S. oil companies. Trading was relatively quiet ahead of the meeting. WTI for May delivery rose \$1.46, or 6.2, to settle at \$25.09 a barrel, while June Brent settled at \$34.84 a barrel, up 97 cents, or 3.04%. Prices for petroleum products ended on a mixed note with May RBOB finished up 4.6% at 67.80 cents a gallon, but May heating oil settled down 1.6% at \$1.0107 a gallon.

Technical Analysis: WTI continues to find support down around the \$23.50 level, while \$25 appears to be serving as a pivotal area. Resistance is set at \$26.30 and above that at \$27.60. Support is seen at \$23.65 and \$19.27

Fundamental News: The world's top oil producers Saudi Arabia, Russia and the United States still seemed at odds on Wednesday before this week's meetings. Saudi Arabia and Russia, have signaled they could agree deep cuts to crude output but only if the United States and others outside a group known as OPEC+ joined in. However, the U.S. Department of Energy said on Tuesday that U.S. output was already falling without government action, echoing views from the White House that it would not intervene, even as global demand for crude has plunged by as much as 30%.

The Kremlin declined to spell out Russia's position ahead of a meeting of OPEC+ oil-producing countries on Thursday, refusing to say whether it will insist on the United States committing to oil output cuts. Later, an unnamed Energy Ministry official said Russia is ready to cut its oil output by 1.6 million bpd. Russia's oil output stands at about 11.29 million bpd.

Iran's Oil Minister, Bijan Zanganeh, said Iran does not agree with holding any OPEC+ meeting in the absence of a clear proposal and expected outcome from such talks for the oil market. He said that organizing a meeting "in the absence of any clear and consensual outcome (to) convey to the market" would be a message of failure even before it starts, which "may aggravate the current low price environment even further". He said that issues like the size of a cut and duration, how much would countries like the United States and Canada cut, what is the baseline for the cuts for each country and how would the reductions be distributed, should be discussed first before holding a meeting.

Republican U.S. senators, who have introduced a bill that would remove U.S. defense systems and troops in Saudi Arabia unless it cuts oil output, will hold a call with the kingdom's officials on Saturday. Senators Kevin Cramer and Dan Sullivan will hold a call with the officials two days after a scheduled OPEC+ meeting in which Saudi Arabia and Russia are expected to agree an output cut. The two countries have been pumping oil flat out beginning last month in a race for market share. The senators' bill would remove U.S. troops, Patriot missiles and THAAD defense systems from the kingdom and put them elsewhere in the Middle East unless it cuts oil output. A source, who spoke on condition of anonymity because of the sensitivity of the talks, said stabilization of global oil markets would be discussed but had no more details.

Early Market Call - as of 8:30 AM EDT

WTI - May \$25.94, up 85 cents

RBOB - May \$6.939, up 1.57 cents

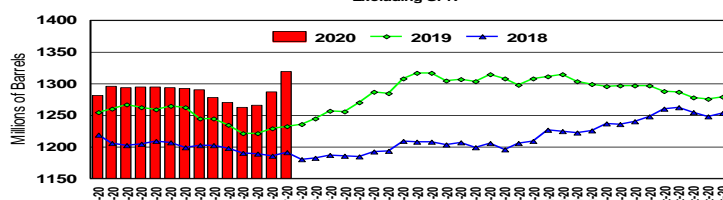
HO - May \$1.0078, down 29 points

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-20	1.0107	-0.0168	-0.0784
Jun-20	1.0447	-0.0116	-0.0919
Jul-20	1.0863	-0.0088	-0.1020
Aug-20	1.1256	-0.0091	-0.1018
Sep-20	1.1616	-0.0097	-0.0979
Oct-20	1.1899	-0.0092	-0.0938
Nov-20	1.2085	-0.0089	-0.0899
Dec-20	1.2223	-0.0087	-0.0873
Jan-21	1.2364	-0.0089	-0.0858
Feb-21	1.2478	-0.0092	-0.0842
Mar-21	1.2574	-0.0105	-0.0811
Apr-21	1.2638	-0.0112	-0.0767
May-21	1.2710	-0.0122	-0.0707
Jun-21	1.2793	-0.0125	-0.0657
Jul-21	1.2961	-0.0123	-0.0637
Aug-21	1.3118	-0.0122	-0.0629
Sep-21	1.3250	-0.0114	-0.0633

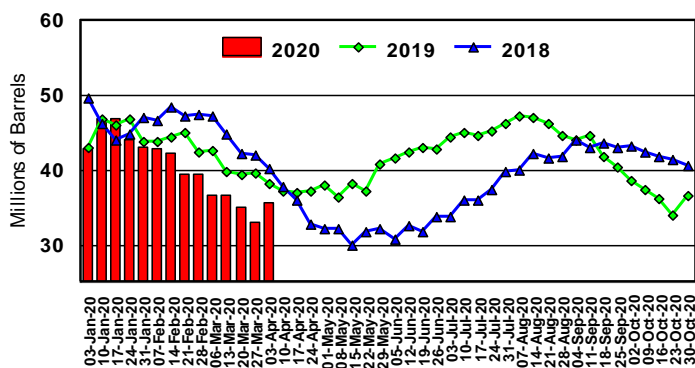
Sprague Heat Weighted Strip October -April 20/2021			\$1.2352
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread	\$30.1700	\$1.4800
Crude - Brent		\$32.8400	\$0.9700
Natural Gas	\$2.67	\$1.7830	-\$0.0690
Gasoline		\$0.6780	\$0.0298

Total U.S. Oil Stocks
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending April 3, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 15.177 million barrels

Cushing, OK Crude Stocks Up 6.417 million barrels

Gasoline Stocks Up 10.497 million barrels

Distillate Stocks Up 476,000 barrels

Refinery % Operated 75.6%, down 6.7%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 3, 2020	Week Ending Mar 27, 2020	Week Ending Apr 4, 2019
New England	6.2	6.1	6.3
Central Atlantic	16.2	16.2	20.3
Total PADD #1	35.5	33.0	38.2
Distillate Imports (thousands b/d)	154	89	65