

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices opened the session trading unchanged, but gradually lost ground as concern over airstrikes in Syria began to ease. May WTI fell 2 cents shy of reaching Friday's high of \$67.76 before reversing to the downside. It didn't take long for this soon to expire contract to fall below \$66.70, Friday's low, stopping just above \$66.00. Losses were pared as the settlement period approached, with May WTI settling at \$66.22 a barrel, down \$1.17, or 1.74%, while June Brent fell \$1.16, or 1.6%, to settle at \$71.42 a barrel. May RBOB ended at \$2.04 a gallon, down 1.2%, while May heating oil fell 1.4% to settle at \$2.07 a gallon.

Fundamental News: OPEC's Secretary General, Mohammed Barkindo, said oil producers and companies must invest to meet future oil demand and compensate for annual decline rates. He said oil inventories in February were below 50 million barrels above the 5-year average and the downward trend is expected to continue in the coming months. He said oil demand will reach 100 million bpd sooner than expected and added that world oil demand is set to total 111 million bpd by 2040.

Diesel volumes from the US Gulf Coast are expected to total 750,000 metric tons for April due to a strong US market amid refinery maintenance and falling distillates stocks.

Northwest European diesel margins fell on Monday as imports into the region increased. Several new tankers have been booked in the past week to load distillates in the Middle East and Asia Pacific to deliver to Europe.

Kuwait's Oil Minister, Bakhit al-Rashidi, said a deal between OPEC and non-OPEC to cut production would run to the end of the year and market conditions would determine whether to extend it beyond the end of 2018. He said an OPEC meeting in June would be the opportunity to review the oil supply agreement, adding that oil markets were heading in the right direction for stability. He said OECD stockpiles fell to less than 50 million barrels above the five-year average, compared with 340 million barrels in 2014.

Oman's Oil Minister, Mohammed bin Hamad al-Rumhi, called on all OPEC and non-OPEC producers who took part in the global supply agreement to continue their cooperation to maintain suitable oil market conditions that encourage oil investments.

IIR reported that US oil refiners are expected to shut in 1.114 million bpd of capacity in the week ending April 20th, cutting available refining capacity by 44,000 bpd from the previous week. IIR expects offline capacity to increase to 1.237 million bpd in the week ending April 27th.

Enterprise Products Partners LP said its Midland-to-Sealy crude pipeline resumed full operations, with an expanded capacity of 540,000 bpd. Following the completion of incremental tankage and infrastructure and operating enhancements, the pipeline is expected to transport 575,000 bpd in May. The pipeline is fully subscribed under long-term contracts.

Enbridge's Line 5 pipeline was temporarily shut down due to a power outage at its terminal in Superior, Wisconsin. Enbridge will leave the line down until the weather conditions improve at the Straits of Mackinac.

The EIA reported that US shale oil production is expected to increase in May for the fourth consecutive month. Total oil output is expected to increase by 125,000 bpd to 7 million bpd. Production in the Permian Basin is expected to increase by 73,000 bpd to 3.2 million bpd, the highest among since 2007. Bakken output is expected to increase by 15,000 bpd to 1.2 million bpd, the highest level since July 2015. Eagle Ford shale output is expected to increase by 24,000 bpd to 1.3 million bpd, the most since May 2016.

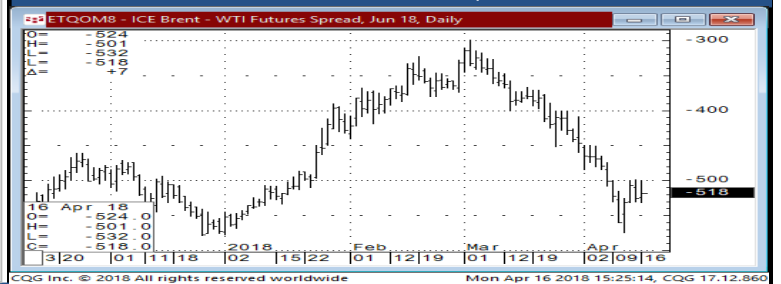
Early Market Call - as of 8:50 AM EDT

WTI - May \$65.84, down 38 cents
 RBOB - May \$2.0315, down 84 cents
 HO - May \$2.0583, down 1.20 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.0703	-\$0.0299	\$0.0737
Jun-18	\$2.0612	-\$0.0293	\$0.0708
Jul-18	\$2.0551	-\$0.0291	\$0.0694
Aug-18	\$2.0522	-\$0.0286	\$0.0686
Sep-18	\$2.0529	-\$0.0272	\$0.0681
Oct-18	\$2.0525	-\$0.0255	\$0.0675
Nov-18	\$2.0518	-\$0.0243	\$0.0672
Dec-18	\$2.0498	-\$0.0234	\$0.0665
Jan-19	\$2.0484	-\$0.0225	\$0.0655
Feb-19	\$2.0428	-\$0.0213	\$0.0638
Mar-19	\$2.0294	-\$0.0202	\$0.0612
Apr-19	\$2.0108	-\$0.0196	\$0.0582
May-19	\$1.9965	-\$0.0186	\$0.0521
Jun-19	\$1.9853	-\$0.0183	\$0.0468
Jul-19	\$1.9826	-\$0.0179	\$0.0453
Aug-19	\$1.9823	-\$0.0174	\$0.0449
Sep-19	\$1.9852	-\$0.0170	\$0.0441

Sprague HeatCurve Oct 2018-April 2019		\$2.0420	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$66.2000	-\$1.1300
Crude - Brent	WTI Spread	\$71.4200	-\$1.1600
Natural Gas	\$5.22	\$2.7520	\$0.0170
Gasoline		\$2.0399	-\$0.0255

ICE June WTI-Brent Spread



May Heating Oil Crack Spread

May RBOB Crack Spread

