

## Market Commentary

**Recap:** Oil prices jumped more than 20% on Tuesday, marking the fifth straight session of gains, as investors placed bets on the slowdown in production and an increase in demand as lockdowns due to the coronavirus are rolled back. This is in stark contrast to what forced prices lower, as demand slipped and production remained in full force. The rate at which crude oil inventory are building is starting to show signs of slowing, this perception has led to optimism that rebalancing efforts are starting to take effect. WTI for June delivery rose \$4.17, or 20.5%, to settle at \$24.56 a barrel, after gaining 3.1% Monday. The settlement was the highest for a most-active contract since April 17 and marked a fifth consecutive session gain, FactSet data show. July Brent crude added \$3.77, or 13.9%, to \$30.97 a barrel, following a 2.9% gain in the previous session. June RBOB settled 9.7% higher at 90.13 cents a gallon, while June heating oil tacked on 11.6%, to settle at 89.60 cents per gallon.

**Technical Analysis:** Crude oil prices have doubled over the last five days on hopes that production slowdowns and the easing of coronavirus shut-ins will lead to an increase in demand. This has pushed June WTI above key resistance levels, as risk appetite increases. The \$25 level is within sight, but given its stance as a previous level of major support, we would expect this could be an initial level of good resistance.

**Fundamental News:** US Census Bureau reported that US crude oil exports fell to about 3.56 million bpd in March from a monthly record of 3.71 million bpd in February. However, exports are expected to slow over April and May as the coronavirus pandemic has cut global oil demand by 30% due to travel restrictions and as a brief price war between Saudi Arabia and Russia weighed on prices.

Saudi Arabia's crude oil exports in May are expected to fall to about 6 million bpd, the lowest level in almost a decade, and domestic refining output is likely to fall as the coronavirus crisis impacts demand. Saudi crude oil exports for May are expected to be about 6 million bpd, with Asia taking about 4 million bpd. Exports to the US are seen at less than 600,000 bpd.

Statistics Canada reported that Canada's total oil imports fell by 15,000 bpd to 577,000 bpd in March from 592,000 bpd in February. Canada's crude oil imports from the US fell by 29,000 bpd to 411,000 bpd in March from 440,000 bpd in February. Canada's total oil exports fell by 130,000 bpd to 3.87 million bpd in March, down from 4 million bpd in February. Canadian crude exports bound for the US fell by 130,000 bpd to 3.74 million bpd in March from 3.87 million bpd in February.

Refinitiv data showed that gasoline exports from Europe to North America fell to about 200,000 tons in April, the lowest level in at least a decade.

Texas energy regulators said they will not mandate oil production cuts ending a debate whether or not they would cut production as oil prices fell to historic lows. State Railroad Commissioner, Ryan Sittton, last month pushed the idea after Parsley Energy and Pioneer Natural Resources asked regulators to mandate 20% curtailments or 1 million barrels. However, the idea never gained support from the other two commissioners and at least two votes were needed for approval. The commissioners instead waived some fees and voted to allow storage of crude in formations other than salt domes.

### Early Market Call - as of 8:10 AM EDT

WTI - June \$24.16, down 40 cents

RBOB - June \$.8987, down 26 points

HO - June \$.8785, down 1.75 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jun-20	0.8960	0.0929	-0.1852
Jul-20	0.9351	0.0819	-0.1606
Aug-20	0.9730	0.0779	-0.1405
Sep-20	1.0082	0.0755	-0.1284
Oct-20	1.0412	0.0736	-0.1214
Nov-20	1.0679	0.0719	-0.1155
Dec-20	1.0860	0.0700	-0.1079
Jan-21	1.1021	0.0671	-0.0990
Feb-21	1.1151	0.0641	-0.0909
Mar-21	1.1260	0.0618	-0.0842
Apr-21	1.1321	0.0604	-0.0786
May-21	1.1426	0.0595	-0.0750
Jun-21	1.1541	0.0586	-0.0718
Jul-21	1.1724	0.0572	-0.0696
Aug-21	1.1896	0.0559	-0.0675
Sep-21	1.2035	0.0545	-0.0658
Oct-21	1.2147	0.0526	-0.0631

### Sprague Heat Weighted Strip October -April 20/2021 \$1.0998

Other Front Month NYMEX	Close	Change
Crude - WTI	\$26.4900	\$3.7100
Crude - Brent	\$30.9700	\$3.7700
Natural Gas	\$2.1340	\$0.1410
Gasoline	\$0.9013	\$0.0798

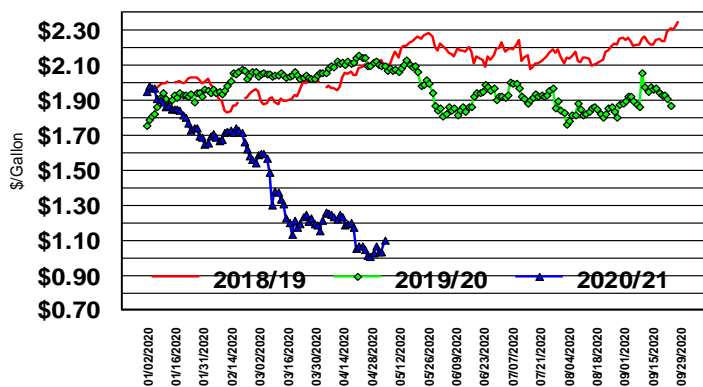
### API Report for the Week Ending May 1, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 8.4 million barrels	Up 7.1-7.8 million barrels
Cushing, OK Crude Stocks	Up 2.7 million barrels	Up 1.7 million barrels
Gasoline Stocks	Down 2.2 million barrels	Up/down 400,000 barrels
Distillate Stocks	Up 6.1 million barrels	Up 2.9-3.5 million barrels
Refinery Runs	Up 197,000 bpd	Up 0.6%
Crude Imports	Up 247,000 bpd	

## Sprague HeatCurve October-April

## NYMEX WTI June-December Spread

### Sprague HeatCurve October-April



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