

Market Commentary

Recap: Oil prices rose from early losses after Enquest's announcement it had shut down pipeline systems carrying crude oil to its Sullom Voe Terminal in the Shetland Islands. The news broke around 10:00 am EST, sparking a steady, but slow climb of more than 2% in both WTI and Brent. June WTI rose to a high of \$68.60 a barrel, while July Brent peaked the session at \$74.04 a barrel. Gains were trimmed as the market approached the settlement period, with June WTI settling at \$68.43 a barrel, up 50 cents or 0.74%, while July Brent settled at \$73.62 a barrel, up 26 cents, or 0.35%. June RBOB settled at \$2.0875 a gallon, up .0077, while June heating oil finished down .0088, at \$2.1127 a gallon.

Fundamental News: According to sources within U.S. President Donald Trump's inner circle, it appears he has all but made his decision to withdraw from the 2015 Iran nuclear deal. It has not been made clear how he exactly plans to do so. One source has said Trump may decide to stay in the deal as part of "alliance maintenance" with France and to "save face" with French President Macron. Trump has until May 12 to make his decision, as that is the deadline he gave Britain, France and Germany to fix what he views flaws in the deal.

Separately, Iran's Foreign Minister, Mohammad Javad Zarif, said US demands to change the nuclear agreement with world powers were unacceptable. He said Iran will not renegotiate what was agreed years ago and has been implemented. A senior adviser to Iranian Supreme Leader Ayatollah Ali Khamenei also warned Europeans over revising the deal.

Russia's Energy Minister, Alexander Novak, said the country's compliance with the OPEC and non-OPEC output cut agreement stood at 95.2% in April. He said Russia is fully committed to bringing balance to the oil market and limiting the factors which bring production volatility. Russia's oil output stood at 10.97 million bpd in April, unchanged on the month.

TAQA, the Brent pipeline operator, said North Sea oilfields connected to the Brent oil pipeline have halted production due to a shutdown at the UK's Sullom Voe terminal, reducing output of the crude. This has led to one Brent cargo due to load in May being dropped and another being delayed into June. The Sullom Voe terminal is expected to reopen on Sunday.

According to foreign trade data from the US Census Bureau, US crude oil exports reached 1.671 million bpd in March, up from 1.605 million bpd in February.

Alberta's Energy Minister, Margaret McCuaig-Boyd, said Alberta will hold talks with rail operators and oil producers aimed at smoothing the path to get more crude moving by rail amid a transportation bottleneck in the province.

Mexico's Pemex could start swapping domestic heavy crudes for foreign light crude in the second half of the year to raise the quality of its fuel production. The company, whose crude output fell by 3% to 1.89 million bpd in the first quarter, is looking for lighter crude grades for its refining network, which is currently operating at 48% of its 1.54 million bpd capacity.

Colonial Pipeline Co is allocating space for Cycle 26 shipments on Line 1, its main gasoline line, and for Cycle 27, on its Line 20 distillate pipeline. Separately, its multi-product pipelines, Line 3 and 4, have resumed normal operations after being temporarily shut as a precaution to investigate an issue. Line 25 also resumed operations. Meanwhile, Line 27 is expected to resume operations on Thursday night. The restart was delayed from earlier in the day.

Early Market Call - as of 9:00 AM EDT

WTI - June \$68.74, up 31 cents
 RBOB - June \$2.0970, up 98 points
 HO - June \$2.1302, up 1.74 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-18	\$2.1127	-\$0.0088	-\$0.0289
Jul-18	\$2.1072	-\$0.0068	-\$0.0258
Aug-18	\$2.1056	-\$0.0042	-\$0.0228
Sep-18	\$2.1066	-\$0.0027	-\$0.0214
Oct-18	\$2.1073	-\$0.0021	-\$0.0210
Nov-18	\$2.1079	-\$0.0016	-\$0.0199
Dec-18	\$2.1059	-\$0.0014	-\$0.0193
Jan-19	\$2.1062	-\$0.0011	-\$0.0169
Feb-19	\$2.1033	-\$0.0012	-\$0.0128
Mar-19	\$2.0943	-\$0.0013	-\$0.0083
Apr-19	\$2.0788	-\$0.0011	-\$0.0046
May-19	\$2.0691	-\$0.0007	-\$0.0022
Jun-19	\$2.0633	-\$0.0002	\$0.0017
Jul-19	\$2.0610	\$0.0001	\$0.0029
Aug-19	\$2.0629	\$0.0002	\$0.0043
Sep-19	\$2.0681	\$0.0002	\$0.0057
Oct-19	\$2.0741	\$0.0007	\$0.0063

Sprague HeatCurve Oct 2018-April 2019 \$2.1016

Other Front Month NYMEX		Close	Change
Crude - WTI	July Brent-	\$68.2600	\$0.4900
Crude - Brent	WTI Spread	\$73.6200	\$0.2600
Natural Gas	\$5.36	\$2.7260	-\$0.0280
Gasoline		\$2.0875	\$0.0077

EIA Natural Gas Storage Report

	27-Apr-18	20-Apr-18	Change	Year Ago
East	223	205	18	322
Midwest	221	211	10	517
Mountain	86	84	2	152
Pacific	187	177	10	232
South Central	626	604	22	1,023
Salt	190	182	8	328
Nonsalt	436	421	15	695
Total	1,343	1,281	62	2,246

Sprague HeatCurve Winter 2018/19

ICE July WTI-Brent Spread

