

## Market Commentary

**Recap:** Oil price rose on Friday, spurred by the possibility OPEC could extend agreed upon output cuts into 2019. Prices opened the session trading slightly below unchanged only to edge higher in overnight trading. Mid-session lulls lead to a period of sideways activity, resulting in a failed attempt to trade below Thursday's settlement. Weakness in the dollar, along with the aforementioned news sparked a round of buying, leading to a pre-settlement rally and fresh session highs. May WTI settled at \$65.88 a barrel, up \$1.58, or 2.56%, while Brent for May delivery tacked on \$1.54, or 2.23%, to settle at \$70.45 a barrel.

April RBOB rose 1.2% to \$2.034 a gallon, ending about 4.5% higher on the week. April heating oil added 1.3% to \$2.018 a gallon, for a 5.6% weekly rise.

**Fundamental News:** US energy companies added oil rigs for the second consecutive week. Baker Hughes reported that drillers added four oil rigs in the week ending March 23<sup>rd</sup>, bringing the total count to 804, the highest level since March 2015.

Saudi Arabia's Oil Minister, Khalid Al-Falih, said OPEC members would need to continue coordinating with Russia and other non-OPEC oil producing countries on supply cuts in 2019 to reduce global oil inventories.

Saudi Arabia's Energy Ministry stated that OPEC's ministerial committee tasked with monitoring the OPEC and non-OPEC output agreement will meet in the Saudi city of Jeddah on April 20<sup>th</sup>.

Lukoil's Vice President, Leonid Fedun, said he believes OPEC and Russia should extend oil cuts into 2020 if US oil output keeps increasing. He said Lukoil should support Saudi Arabia's idea of extending oil cuts into 2019.

Separately, Lukoil's CEO, Vagit Alekperov, said the company can reach its strategic goals at an oil price of \$50/barrel. He said the company's mid-term goal of an oil price of \$50/barrel was to increase oil production by at least 1% a year. If oil prices are over \$50/barrel, Lukoil would be ready to increase dividend payouts. He also stated that he sees investments at \$8 billion a year if oil prices are at around \$50/barrel.

RBC Capital Markets stated that global oil inventories will have to fall by 50 million barrels should OPEC and its allies, including Russia, decide to peg the success of their output cut deal on bringing stocks to the seven-year average.

According to shipping data and an industry source, oil exports from southern Iraq fell by 70,000 bpd in March, suggesting OPEC's second-largest producer is heading for a third month of lower shipments. Southern Iraqi exports in the first 21 days of March averaged about 3.36 million bpd, down from 3.43 million bpd in February. Northern exports averaged 270,000 bpd so far in March, compared with an estimated 340,000 bpd in February.

According to research company IIR Energy, U.S. oil refiners are estimated to have 847,000 barrels per day off line in the week ending March 23, increasing available refining capacity by 36,000 bpd from the previous week.

Global refinery outages reached 6.16 million bpd in the week ending March 22<sup>nd</sup>, slightly lower than 6.18 million bpd the previous week.

**Early Market Call - as of 9:00 AM EDT**

WTI - May \$65.61, down 27 cents

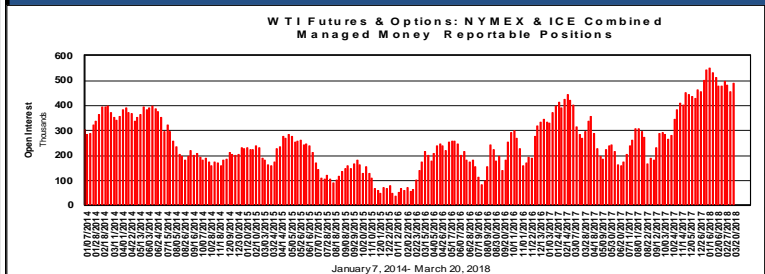
RBOB - Apr \$2.0239, down 97 points

HO - Apr \$2.0154, down 27 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-18	\$2.0184	\$0.0261	\$0.1066
May-18	\$2.0210	\$0.0260	\$0.1038
Jun-18	\$2.0242	\$0.0266	\$0.1028
Jul-18	\$2.0261	\$0.0273	\$0.1025
Aug-18	\$2.0270	\$0.0279	\$0.1015
Sep-18	\$2.0294	\$0.0279	\$0.1020
Oct-18	\$2.0306	\$0.0277	\$0.1012
Nov-18	\$2.0304	\$0.0274	\$0.0998
Dec-18	\$2.0284	\$0.0271	\$0.0976
Jan-19	\$2.0280	\$0.0270	\$0.0952
Feb-19	\$2.0246	\$0.0270	\$0.0928
Mar-19	\$2.0142	\$0.0268	\$0.0888
Apr-19	\$1.9952	\$0.0264	\$0.0850
May-19	\$1.9817	\$0.0266	\$0.0825
Jun-19	\$1.9740	\$0.0281	\$0.0831
Jul-19	\$1.9725	\$0.0282	\$0.0833
Aug-19	\$1.9723	\$0.0278	\$0.0822
Sep-19	\$1.9756	\$0.0279	\$0.0813

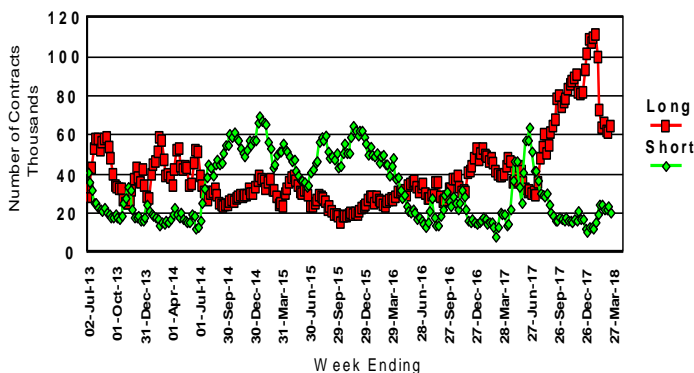
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.57	\$65.8800	\$1.5800
Crude - Brent		\$70.4500	\$1.5400
Natural Gas		\$2.5910	-\$0.0260
Gasoline		\$2.0336	\$0.0240



## Commitment of Traders Report for the Week Ending March 20, 2018

### Managed Money Heat Positons

CFTC Commitment of Traders Report



### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

