

## Market Commentary

**Recap:** Oil prices tumbled more than 3 percent on Friday after U.S. President Donald Trump again pressured OPEC to raise crude production to ease gasoline prices ahead of the U.S. summer driving season. A slip in June WTI below key support exacerbated the down move, pushing this spot contract \$2.93, or 4.4 percent lower on the day, to a session low of \$62.28 a barrel by 11:02 EDT. Brent crude futures dropped \$3.11, or 4.1 percent, to \$71.30 a barrel. Losses were pared, with June WTI settling at \$63.30 a barrel, down \$1.91, or 2.93 percent, while June Brent fell \$2.20, or 2.96 percent, to settle at \$72.15 a barrel. May RBOB settled at \$2.1006 a gallon, down .0315, while May heating oil fell .0469, to settle at \$2.0512 a gallon.

**Technical Analysis:** On a technical level, WTI failed miserably as June crude broke below \$64.62, the 10-day moving average. This prompted a more than \$2.00 sell-off. Although the major trend is still to the upside, we could see additional slips, with WTI testing the 200-day moving average of \$61.82. Below this level, additional support is set at \$60.20. Resistance is set at \$64.58 and above that at \$65.00.

**Fundamental News:** Baker Hughes reported that US oil drillers cut the most rigs since the week ending January 18<sup>th</sup> and reduced the number of oil rigs operating for a second consecutive week. Drillers cut 20 oil rigs in the week ending April 26<sup>th</sup>, bringing the total count down to 805.

US President Donald Trump said he called OPEC and told the cartel to lower oil prices.

Iran's Oil Minister, Bijan Zanganeh, said Saudi Arabia and the UAE overstate their oil capacities. The comments were in reaction to expectations that the two countries would fill any supply gap caused by a tightening of US sanctions on Iran.

A senior official said that Russia is confident it can soon resolve a problem of polluted Russian oil contaminating a major pipeline serving Europe and affecting supplies as far west as Germany. Russia's Deputy Energy Minister, Pavel Sorokin, did not give a precise timeframe but Russia has previously stated that it would pump clean oil to the border with Belarus starting April 29<sup>th</sup>. He was speaking at talks with officials from Belarus, Poland and Ukraine on the issue. Poland, Germany, Ukraine and Slovakia suspended imports of Russian oil via the Druzhba pipeline. Russia's Energy Ministry agreed on a plan with Russian oil companies and Russian Railways to mitigate contamination of its oil exports.

Russia's Transneft said a criminal case had been opened over a deliberate contamination of Russian oil in the Druzhba pipeline. A source of pollution was detected at a private company and an investigation is underway in offices of several private organizations in the city of Samara.

The CEO of Russia's Rosneft, Igor Sechin, said he does not expect tougher sanctions on Iran to result in a global oil deficit in the second and third quarters of 2019. He noted US pressure on Saudi Arabia and the UAE to make up any shortfall due to the sanctions imposed on Iran.

Turkey's Foreign Ministry spokesman, Hami Aksoy, said Turkey is trying to convince the US to allow Tupras to continue buying crude oil from Iran free of sanctions. The US on Monday said it will not renew exemptions granted last year to buyers of Iranian oil, including Turkey, and it demand that buyers stop purchases by May 1<sup>st</sup> or face sanctions.

Two cargoes of US crude oil have been booked to sail to Australia, highlighting the increasing global reach of exports from the US. There are a total of four Aframaxes headed to Asia in two months. US crude arrivals in Asia in May are expected to increase to a record 38.1 million barrels or 1.2 million bpd.

**Early Market Call - as of 8:50 AM EDT**

WTI - June \$63.14, down 16 cents

RBOB - May \$2.0854, down 1.41 cents

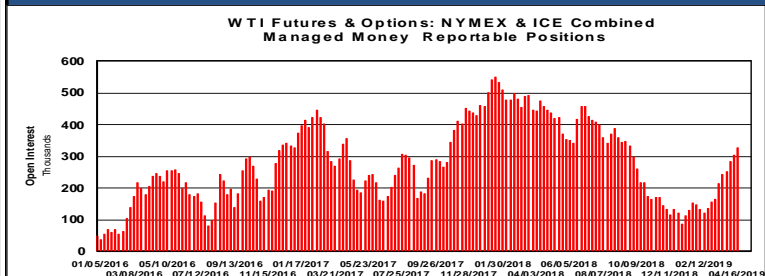
HO - May \$2.0546, up 46 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	2.0512	-0.0469	-0.0197
Jun-19	2.0522	-0.0483	-0.0218
Jul-19	2.0571	-0.0496	-0.023
Aug-19	2.064	-0.05	-0.0235
Sep-19	2.0745	-0.0498	-0.0229
Oct-19	2.0845	-0.0497	-0.0223
Nov-19	2.092	-0.0495	-0.0224
Dec-19	2.097	-0.0493	-0.0228
Jan-20	2.1004	-0.0489	-0.0232
Feb-20	2.0971	-0.0482	-0.0235
Mar-20	2.0881	-0.0474	-0.0241
Apr-20	2.0729	-0.0461	-0.0244
May-20	2.0617	-0.0446	-0.0243
Jun-20	2.0539	-0.0433	-0.0242
Jul-20	2.0492	-0.0421	-0.0245
Aug-20	2.0454	-0.041	-0.0251
Sep-20	2.0428	-0.0403	-0.0262

### Sprague HeatCurve Oct 2019-Apr 2020 \$2.0928

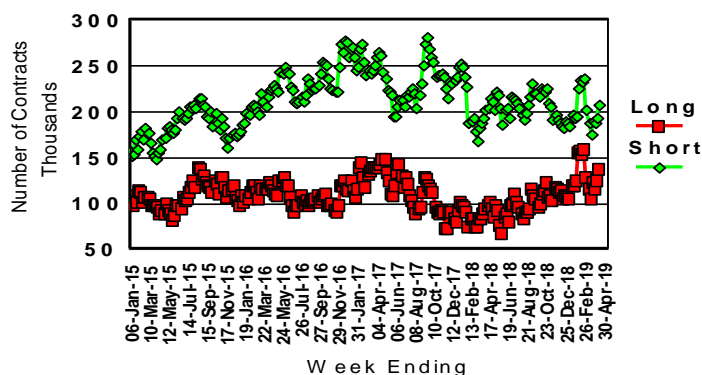
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$63.3000	-\$1.9100
Crude - Brent	WTI Spread	\$72.1500	-\$2.2000
Natural Gas	\$8.85	\$2.5660	\$0.0520
Gasoline		\$2.1006	-\$0.0315



## Commitment of Traders Report for the Week Ending April 23, 2019

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

