

Market Commentary

Recap: The oil market posted an outside trading day as the market was pressured after Iran said there would be no need to extend its production cut agreement and supported by fears that US sanctions could dampen Iran's output. The market fell to a low of \$67.14 early in the session, after Iran's Oil Minister, Bijan Zanganeh, said there would be no need to extend a pact between OPEC and non-OPEC producers if oil prices strengthened. However, the market bounced off that level and never looked back amid fears that US sanctions could cut Iran's output. The market was also well supported by Genscape data showing that the US oil stocks held in Cushing, Oklahoma declined. The market extended its gains to 45 cents as it posted a high of \$68.83 ahead of the close. The June WTI contract settled up 24 cents at \$68.64 and later continued to trend higher, posting a high of \$69.03. The June Brent contract settled up 65 cents at \$74.71. Meanwhile, the product markets were well supported, with the heating oil market settling up 1.79 cents at \$2.1409 and the RBOB market settling up 2.78 cents at \$2.1237.

Fundamental News: The UAE's Energy Minister, Suhail Mohamed al-Mazrouei, said all OPEC and non-OPEC oil producers including Russia are committed to supply cuts until the end of the year.

Iran's Oil Minister, Bijan Zanganeh, said there would be no need to extend a pact between OPEC and non-OPEC producers aimed at increasing oil prices if the crude price continued to rise. He said there will be no decision on this in OPEC's next meeting. He said the current rally in oil prices could hurt OPEC in the mid-term as it was adding to market volatility.

Separately, Iran may offer discounts on oil sales as Iran is keen to preserve its market share amid mounting concerns about whether US President Donald Trump will refuse to extend US sanctions relief on Iran next month. Iran's Oil Minister said Iran will take all the necessary measures to keep its oil market share because of the political atmosphere and the US' decision on the deal. He also stated that the country's crude and condensate exports recovered from a fall in March and currently stand at 2.5 million bpd. He said the decline in March was a temporary issue.

Iraq's OPEC official, Ali Nazar, said we are reaching its oil inventory target. He said we are not targeting oil prices, we are targeting market balance. He also stated that high oil prices is not always in our benefit.

Azerbaijan's Energy Minister, Parviz Shakhbazov, said the question of Azerbaijan joining OPEC is not on the agenda and is not being discussed by the government.

Kuwait Oil Company said a fire broke out at an oil facility as a result of an oil leak in Kuwait on Monday, but was contained and did not disrupt output. Authorities were still working to extinguish the fire.

Libya's National Oil Corp said repairs to a pipeline in Libya operated by Waha Oil Co will take a few days following a fire. A fire broke out on the pipeline that feeds the Es Sider port, although an engineer at the port said earlier on Sunday that it had been brought under control. An attack on the pipeline has reduced production by at least 80,000 bpd.

Gasoline exports from Europe to North America and Latin America have increased in recent days, as buyers prepare for the summer driving season in the US. However, about 100,000 tons of gasoline is stored in tankers off the coast of northwest Europe.

Early Market Call - as of 8:30 AM EDT

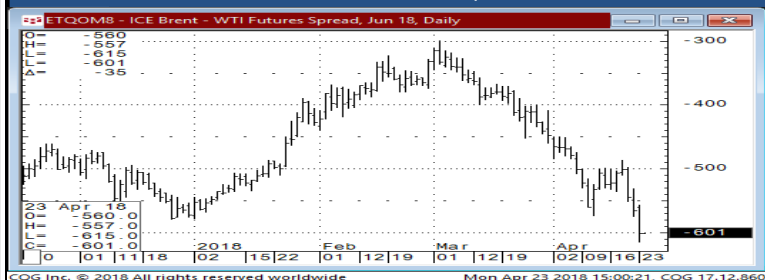
WTI - June \$68.80, up 17 cents
 RBOB - May \$2.1284, up 47 points
 HO - May \$2.1444, up 40 points

All NYMEX | Prior Settlements

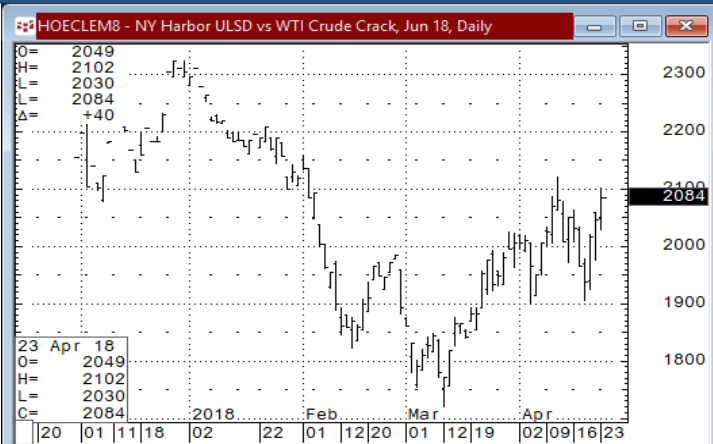
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.1409	\$0.0179	\$0.0706
Jun-18	\$2.1324	\$0.0172	\$0.0712
Jul-18	\$2.1284	\$0.0170	\$0.0733
Aug-18	\$2.1261	\$0.0160	\$0.0739
Sep-18	\$2.1268	\$0.0154	\$0.0739
Oct-18	\$2.1283	\$0.0153	\$0.0758
Nov-18	\$2.1288	\$0.0154	\$0.0770
Dec-18	\$2.1263	\$0.0154	\$0.0765
Jan-19	\$2.1245	\$0.0153	\$0.0761
Feb-19	\$2.1185	\$0.0152	\$0.0757
Mar-19	\$2.1063	\$0.0152	\$0.0769
Apr-19	\$2.0882	\$0.0150	\$0.0774
May-19	\$2.0760	\$0.0154	\$0.0795
Jun-19	\$2.0661	\$0.0145	\$0.0808
Jul-19	\$2.0626	\$0.0143	\$0.0800
Aug-19	\$2.0623	\$0.0140	\$0.0800
Sep-19	\$2.0654	\$0.0139	\$0.0802

Sprague HeatCurve Oct 2018-April 2019		\$2.1185
Other Front Month NYMEX		Close
Crude - WTI	June Brent-	\$68.6400
Crude - Brent	WTI Spread	\$74.7100
Natural Gas	\$6.07	\$2.7400
Gasoline		\$2.1237
		\$0.2400
		\$0.6500
		\$0.0010
		\$0.0278

ICE June WTI-Brent Spread



June Heating Oil Crack Spread



June RBOB Crack Spread

