

Market Commentary

Recap: Oil futures rose on Friday, with June WTI reaching an intraday high of \$20.48 a barrel and July Brent trading close to \$28 a barrel. Prices firmed this week as producers increase efforts to cut output as parts of the global economy begin to open up amid the coronavirus pandemic. While traders have turned their focus on what are the most significant production cuts in history, the massive oversupply combined with easing demand cannot be ignored. These two factors will continue to limit gains. June WTI rose 94 cents, or 5%, to settle at \$19.78 a barrel. It logged a 16.8% weekly rise, according to Dow Jones Market Data. WTI had bounced 52% higher in the last two sessions but still suffered an 8% decline in April and is down almost 68% year to date. July Brent crude settled at \$26.44 a barrel, down 4 cents, or nearly 0.2%. For the week, front-month contract prices rose 6.6%. June RBOB ended down 2.2% at 76.63 cents a gallon, with front-month contract prices up 9.5% for the week. June heating oil fell 4.4% at 79.61 cents a gallon, building a weekly gain of 8.6%.

Technical Analysis: June WTI breached resistance set at \$20 but encountered enough resistance to exhaust itself. Having run out of steam, this spot contract closed below \$20. Having been a previous area of support, \$20 is sure to be a key level of resistance, offering itself as a selling opportunity. Above \$20, additional resistance is set at \$21.09. Support is seen at \$19.83 and below that at \$17.79, the current 10-day moving average

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the week ending May 1st continued to decline. Oil directed drilling rigs fell by 53 on the week to 325.

According to a preliminary loading program, exports of Nigeria's four key crude oil grades are set to fall in June to 602,000 bpd from 828,000 bpd planned for May.

Kazakhstan's Energy Ministry said the country is reducing production at certain giant, large and medium-sized oilfields to comply with the global output cut deal. It did not name any particular fields. Kazakhstan's three giant fields, Tengiz, Kashagan and Karachaganak, are operated by groups of global energy majors. Kazakhstan has pledged to cut its output by 390,000 barrels per day in May and June. Sources stated that Kazakhstan was close to a deal with the operators of Tengiz and Kashagan to reduce production by 22% from May, the first time those ventures would be involved in such an output cut.

On Thursday, US President Donald Trump said his deal with China was now of secondary importance to the coronavirus pandemic and he threatened new tariffs on Beijing, as his administration crafted retaliatory measures over the outbreak. Two U.S. officials, speaking on condition of anonymity, said a range of options against China were under discussion, but cautioned that efforts were in the early stages. An official said recommendations have not yet reached the level of Trump's top national security team or the president. A senior Trump administration official, speaking on condition of anonymity, said on Wednesday that an informal "truce" in the war of words that Trump and Xi essentially agreed to in a phone call in late March appeared to be over.

Goldman Sachs raised its second quarter Brent forecast to \$25/barrel from a previous estimate of \$20/barrel. It expects inventory normalization to flatten the Brent forward curve around \$30/barrel in the third quarter. It also lowered its fourth quarter Brent forecast to \$37.50/barrel from a previous estimate of \$40/barrel. It sees oil demand continuing to fall by 17.5 million bpd in May and by 12.5 million bpd in May.

IIR Energy reported that US oil refiners are expected to shut in 4.6 million bpd of capacity in the week ending May 1st, increasing available refining capacity by 8,000 bpd from the previous week.

Early Market Call - as of 8:35 AM EDT

WTI - June \$19.60, down 18 cents

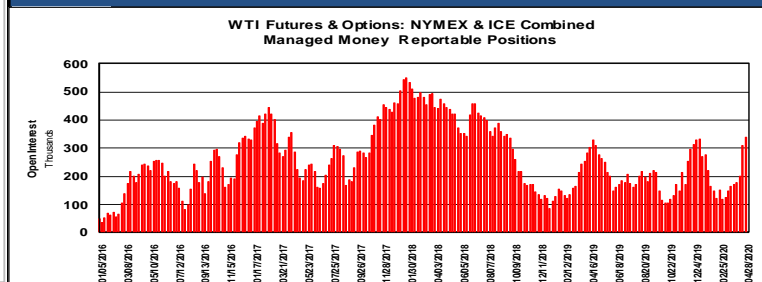
RBOB - June \$.7721, up 58 points

HO - June \$.8049, up 88 points

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jun-20	0.7961	-0.0370	-0.0633
Jul-20	0.8478	-0.0367	-0.0450
Aug-20	0.8917	-0.0337	-0.0268
Sep-20	0.9297	-0.0317	-0.0144
Oct-20	0.9642	-0.0310	-0.0065
Nov-20	0.9923	-0.0310	0.0013
Dec-20	1.0132	-0.0311	0.0089
Jan-21	1.0331	-0.0317	0.0147
Feb-21	1.0503	-0.0320	0.0181
Mar-21	1.0644	-0.0321	0.0205
Apr-21	1.0727	-0.0327	0.0218
May-21	1.0846	-0.0316	0.0216
Jun-21	1.0974	-0.0306	0.0217
Jul-21	1.1172	-0.0303	0.0205
Aug-21	1.1359	-0.0304	0.0196
Sep-21	1.1518	-0.0303	0.0178
Oct-21	1.1657	-0.0307	0.0165

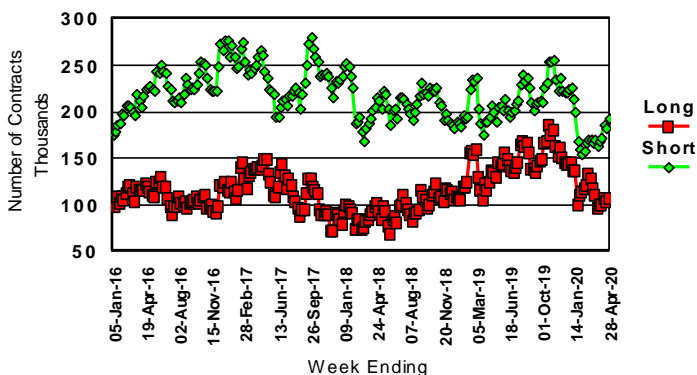
Sprague Heat Weighted Strip October -April 20/2021			\$1.0315
Other Front Month NYMEX		Close	Change
Crude - WTI	July Brent-	\$22.2900	\$0.4400
Crude - Brent	WTI Spread	\$26.4400	-\$0.0400
Natural Gas	\$4.15	\$1.8900	-\$0.0590
Gasoline		\$0.7663	-\$0.0174



Commitment of Traders Report for the Week Ending April 28, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

