

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices extended losses, while experiencing their sharpest fall since Feb. 14th. Prices were trading close to unchanged during overnight trading, but as the stock market opened and slipped into a downward spiral, panic selling entered into the oil markets. May WTI fell as much as 3%, hitting a low of \$62.95, while June Brent bottomed the session at \$67.65, down 2.4%. Losses were slightly pared, with May WTI settling at \$63.01 a barrel, down \$1.93, or 2.97%. Brent for June delivery slipped \$1.70, or 2.45%, to settle at \$67.64 a barrel.

May RBOB ended at \$1.9661 a gallon, down .0545, while May heating oil slid .0408 to \$1.9802 a gallon.

Fundamental News: The US EPA rejected an Obama-era plan to make automobiles more fuel efficient, the latest move by the Trump administration to roll back environmental regulations. It said the corporate average fuel economy or Café, standards were not appropriate and should be revised.

Oil Movements reported that OPEC shipments are expected to fall by 230,000 bpd to 24.25 million bpd in the four weeks ending April 14th compared with the previous four-week period. Mideast shipments, including those from non-OPEC Oman and Yemen, is expected to increase by 280,000 bpd to 18.38 million bpd.

Iraq's Oil Ministry reported that Iraq exported 3.453 million bpd of crude from its southern ports in March, slightly above the February average of 3.426 million bpd. The semi-autonomous Kurdistan region exported about 300,000 bpd of crude from northern Iraq through a pipeline across Turkey.

According to S&P global Platts calculations, China's apparent oil demand in January-February increased by 7.7% on the year to 12.05 million bpd. All major products, LPG, naphtha, gasoline, jet fuel, gasoil and fuel oil, reported year on year increases ranging from 2.4% to 10.8% in January-February. China's refinery throughput during the period increased by 7.3% on the year to 11.6 million bpd. China's net oil product imports in the first two months of the year averaged 447,000 bpd, up 20% on the year.

Russia's Energy Minister, Alexander Novak, said the country's compliance with the global agreement to cut oil production was at 93.4% in March. He added that the country is fully committed to reaching a balance on the global oil market while explaining fluctuations in Russian hydrocarbons output as the result of seasonality on the domestic market and higher gas demand.

Iraq's Rumaila oil field has added another 80,000 bpd to its capacity and was targeting an average 1.536 million bpd. A new unit was installed in north Rumaila's gas oil separation station No. 2, which will increase capacity from the current 1.456 million bpd. While capacity will increase by 80,000 bpd, BP will raise actual production by about 50,000 bpd this year.

IIR reported that US oil refiners are expected to shut in 954,000 bpd of capacity in the week ending April 6th, increasing available refining capacity by 8,000 bpd from the previous week. IIR expects offline capacity to increase to 1.461 million bpd in the week ending April 13th.

Early Market Call - as of 8:35 AM EDT

WTI - May \$63.23, up 22 cents

RBOB - May \$1.9794, up 1.33 cents

HO - May \$1.9789, down 14 points

| Month | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| May-18 | \$1.9802 | -\$0.0408 | -\$0.0408 |
| Jun-18 | \$1.9777 | -\$0.0413 | -\$0.0465 |
| Jul-18 | \$1.9755 | -\$0.0425 | -\$0.0506 |
| Aug-18 | \$1.9740 | -\$0.0431 | -\$0.0530 |
| Sep-18 | \$1.9758 | -\$0.0427 | -\$0.0536 |
| Oct-18 | \$1.9771 | -\$0.0419 | -\$0.0535 |
| Nov-18 | \$1.9776 | -\$0.0410 | -\$0.0528 |
| Dec-18 | \$1.9765 | -\$0.0402 | -\$0.0519 |
| Jan-19 | \$1.9765 | -\$0.0397 | -\$0.0515 |
| Feb-19 | \$1.9735 | -\$0.0393 | -\$0.0511 |
| Mar-19 | \$1.9640 | -\$0.0389 | -\$0.0502 |
| Apr-19 | \$1.9468 | -\$0.0383 | -\$0.0484 |
| May-19 | \$1.9357 | -\$0.0382 | -\$0.0460 |
| Jun-19 | \$1.9300 | -\$0.0383 | -\$0.0440 |
| Jul-19 | \$1.9304 | -\$0.0379 | -\$0.0421 |
| Aug-19 | \$1.9307 | -\$0.0381 | -\$0.0416 |
| Sep-19 | \$1.9345 | -\$0.0376 | -\$0.0411 |
| Oct-19 | \$1.9390 | -\$0.0376 | -\$0.0411 |

| | | Close | Change |
|---------------|------------------------------|-----------|-----------|
| Crude - WTI | June Brent-WTI Spread \$4.65 | \$62.9900 | -\$1.8800 |
| Crude - Brent | | \$67.6400 | -\$1.7000 |
| Natural Gas | | \$2.6830 | -\$0.0500 |
| Gasoline | | \$1.9661 | -\$0.0545 |

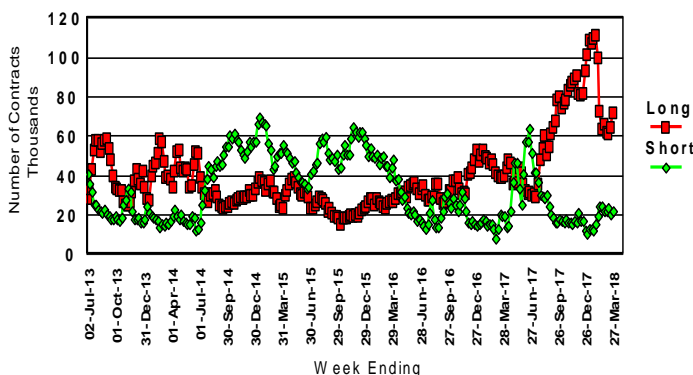
ICE June WTI-Brent Spread



Commitment of Traders Report for the Week Ending March 27, 2018

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

