

Market Commentary

Recap:

Fundamental News: Russia's Energy Minister, Alexander Novak, said that the process of easing global oil output cuts will likely be a gradual one. He discussed the issue earlier on Friday with OPEC's Secretary General and Saudi Arabia's Energy Minister. Russia and Saudi Arabia are discussing raising OPEC and non-OPEC oil output by 1 million bpd. Saudi Arabia's Energy Minister, Khalid al-Falih, said that any easing would be gradual so as not to shock the market. Russia's Energy Minister said the current cuts were in reality 2.7 million bpd due to a fall in Venezuelan production, somewhere around 1 million bpd higher than the initially agreed cuts of 1.8 million bpd. OPEC's Secretary General, Mohammad Barkindo, said OPEC began a discussion about easing production cuts following a critical tweet from US President Donald Trump. Trump tweeted last month that OPEC had "artificially" increased oil prices. He also stated that compliance with the output cut deal is very high.

Meanwhile, Saudi Arabia's Energy Minister, Khalid al-Falih, told the head of China's National Energy Administration, Nur Bekri, that Saudi Arabia is committed to ensuring oil market stability and sufficient supplies to offset any potential shortfall and meet incremental demand.

Separately, Saudi Arabia's Energy Minister said the country is most likely to hold the initial public offering of Saudi Aramco in 2019, confirming a delay from the initial plan to list the company this year.

The head of Russia's Gazprom Neft, Alexander Dyukov, said he supported the possible easing of restrictions on oil production this summer. He said that oil prices at \$50-\$60/barrel would be fair and that the company's own hydrocarbon production forecast of 100 million tons in 2020 would likely be exceeded.

The AAA reported that filling the fuel tank for vacation driving this summer will be pricier than it has been in nearly four years for American motorists, as gasoline prices nationwide increase toward the expected average seasonal price of \$3/gallon. The AAA reported that as of Thursday, the average price of gasoline was \$2.961/gallon nationwide, compared with \$2.367/gallon a year ago.

Russia's President, Vladimir Putin, commenting on the US' decision to withdraw from the Iranian nuclear deal, said that unilateral steps taken by countries like the US led to a dead-end and were always counter-productive.

The chief executive of Russia's Rosneft, Igor Sechin, said that the US decision to quit the nuclear deal with Iran could affect 5% of global oil production.

IIR Energy reported that US oil refiners are estimated to shut in 598,000 bpd of capacity in the week ending May 25th, increasing available capacity by 598,000 bpd from the previous week. IIR expects offline capacity to fall to 432,000 bpd in the week ending June 1st and 295,000 bpd in the week ending June 8th.

Early Market Call - as of 8:20 AM EDT

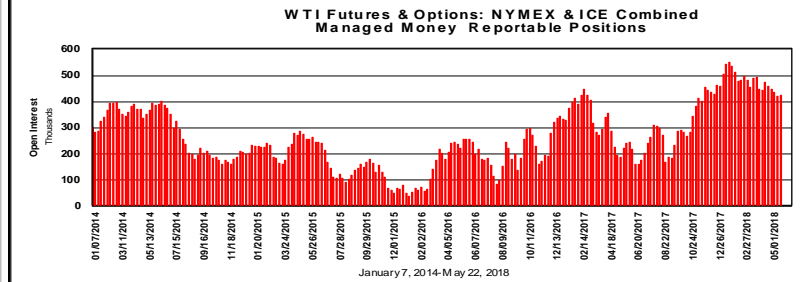
WTI - July \$67.15, down 73 cents
 RBOB - June \$2.1631, down 1.82 cents
 HO - June \$2.1982, down 1.01 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-18	\$2.2098	-\$0.0569	-\$0.0557
Jul-18	\$2.2052	-\$0.0573	-\$0.0539
Aug-18	\$2.2050	-\$0.0569	-\$0.0518
Sep-18	\$2.2079	-\$0.0571	-\$0.0507
Oct-18	\$2.2090	-\$0.0574	-\$0.0505
Nov-18	\$2.2091	-\$0.0575	-\$0.0497
Dec-18	\$2.2068	-\$0.0574	-\$0.0493
Jan-19	\$2.2071	-\$0.0572	-\$0.0487
Feb-19	\$2.2041	-\$0.0564	-\$0.0467
Mar-19	\$2.1961	-\$0.0557	-\$0.0442
Apr-19	\$2.1729	-\$0.0550	-\$0.0421
May-19	\$2.1781	-\$0.0541	-\$0.0402
Jun-19	\$2.1745	-\$0.0530	-\$0.0374
Jul-19	\$2.1724	-\$0.0519	-\$0.0360
Aug-19	\$2.1729	-\$0.0513	-\$0.0361
Sep-19	\$2.1789	-\$0.0513	-\$0.0364
Oct-19	\$2.1852	-\$0.0515	-\$0.0365

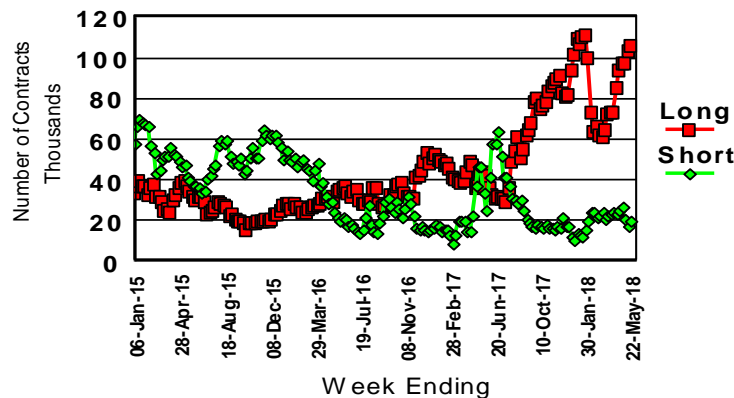
Sprague HeatCurve Oct 2018-April 2019 \$2.2176

Other Front Month NYMEX		Close	Change
Crude - WTI	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;"> July Brent- WTI Spread \$8.56 </div>	\$67.8800	-\$2.8300
Crude - Brent		\$76.4400	-\$2.3500
Natural Gas		\$2.9390	-\$0.0010
Gasoline		\$2.1814	-\$0.0524



Commitment of Traders Report for the Week Ending May 22, 2018

Managed Money Heat Positons CFTC Commitment of Traders Report



Producer/Merchant Heat Positons CFTC Commitment of Traders Report

