

Market Commentary

Recap: Oil futures fell as much as 7% on Friday, after China's top policy setting meeting didn't set an annual economic growth target due to "great uncertainty" over the recovery from the coronavirus pandemic. This comes as tension between the U.S. and China heats up after U.S. President Trump said on Thursday that if China were to impose a new security law in Hong Kong, the U.S. would "address that issue very strongly." All this weighed on equity markets, which helped to bring crude oil prices down. Although oil prices staged a comeback ahead of the long U.S. Memorial Day weekend, they finished lower on the day. July WTI settled at \$33.25 a barrel, down 67 cents, or 2%. Brent for July delivery lost 93 cents, or 2.6%, to \$35.13 a barrel.

June RBOB fell 0.7% to \$1.0382 cents a gallon, ending 7% higher for the week, based on the front-month contracts, and June heating oil shed 0.7% to 98.20 cents a gallon, for a weekly rise of 6.7%.

Technical Analysis: Oil prices rallied significantly during the week, but failed to enter the gap above. WTI made an attempt to tackle the \$35 level, pulling back after being unsuccessful. Coming into trading for the week of May 25, we would look for a continued push to fill the gap up to \$41.88, but will most likely see quite a bit of selling. A break below the psychological level of \$30 will also bring about a rash of selling and should we get down below \$25, another fresh round of selling will most likely ensue.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil and gas fell to a record low for the third consecutive week, with a decline of 21 rigs to 318 rigs in the week ending May 22nd. Meanwhile, in Canada, the rig count fell to 21 from the previous week's record low of 23 rigs.

IIR Energy reported that US oil refiners are expected shut in 3.8 million bpd of capacity in the week ending May 22nd, increasing available refining capacity by 519,000 bpd from the previous week. Offline capacity is expected to fall to 3.4 million bpd in the week ending May 29th and down to 2 million bpd in the week ending June 5th.

According to Refinitiv Eikon tracking data, a flotilla of five tankers carrying Iranian fuel for Venezuela is approaching the Caribbean, with the first vessel expected to reach the country's waters on Sunday. Iran is supplying about 1.53 million barrels of gasoline and alkylate to Venezuela. The shipments have caused a diplomatic standoff between Iran, Venezuela and the United States as both nations are under U.S. sanctions. Venezuela's defense minister said the military will escort the tankers once they reach the nation's exclusive economic zone.

The head of JXTG Holdings Inc, Tsutomu Sugimori, said that the volume of term supply cuts by oil producers for June loading was larger than expected. Sugimori, who became the new president of the Petroleum Association of Japan (PAJ) on Friday, said earlier this week that Saudi Aramco and other oil producers have cut supplies to JXTG.

The US Labor Department said the US unemployment rates increased and total employment fell in all 50 US states and the District of Columbia in April as efforts to contain the coronavirus pandemic forced businesses to close across the United States. The department's Bureau of Labor Statistics said 43 states set record-high levels of unemployment last month, with the highest being in Nevada.

Early Market Call - as of 9:00 AM EDT

WTI - July \$34.58, up \$1.33

RBOB - June \$1.0741, up 3.59 cents

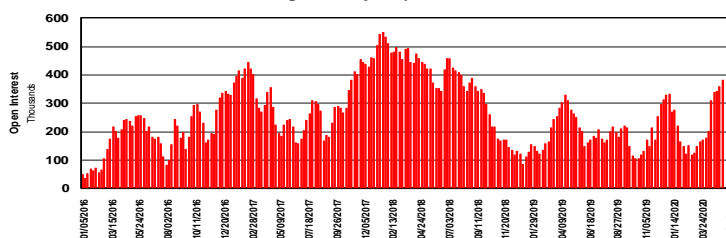
HO - June \$1.0289, up 4.69 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-20	0.9820	-0.0070	-0.0616
Jul-20	1.0198	-0.0117	-0.0650
Aug-20	1.0532	-0.0146	-0.0654
Sep-20	1.0854	-0.0157	-0.0653
Oct-20	1.1101	-0.0155	-0.0640
Nov-20	1.1299	-0.0149	-0.0637
Dec-20	1.1456	-0.0140	-0.0647
Jan-21	1.1619	-0.0131	-0.0661
Feb-21	1.1764	-0.0122	-0.0677
Mar-21	1.1873	-0.0117	-0.0687
Apr-21	1.1924	-0.0115	-0.0676
May-21	1.1984	-0.0123	-0.0636
Jun-21	1.2078	-0.0120	-0.0611
Jul-21	1.2239	-0.0119	-0.0589
Aug-21	1.2386	-0.0119	-0.0567
Sep-21	1.2503	-0.0118	-0.0548
Oct-21	1.2600	-0.0119	-0.0533

Sprague Heat Weighted Strip October -April 20/2021		\$1.1610
	Close	Change
Crude - WTI	\$33.2500	-\$0.6700
Crude - Brent	\$35.1300	-\$0.9300
Natural Gas	\$1.7310	\$0.0210
Gasoline	\$1.0382	-\$0.0069

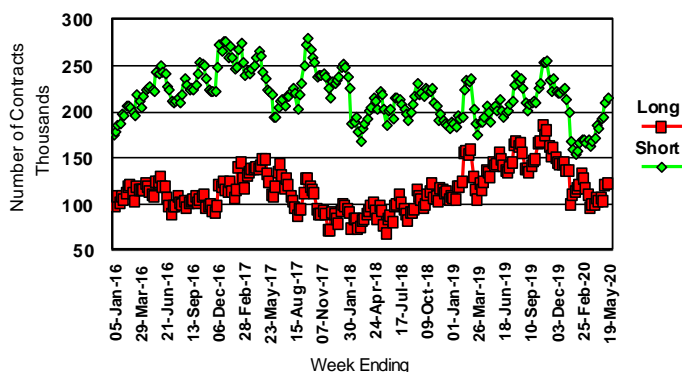
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending May 19, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

