

Market Commentary

Recap: Trading in oil futures started out to the downside on Thursday, but then grinded higher in what was a lackluster session. High oil producer compliance to output cuts contributed to a third straight climb, even as questions were raised about the potential for an extension of cuts beyond the end of June. OPEC+ have not yet announced a new meeting date amid reports that the group would move forward a virtual meeting planned for next week. WTI for July delivery rose 12 cents, or 0.3%, to settle at \$37.41 a barrel, after touching an earlier low of \$36.38. August Brent tacked on 20 cents, or 0.5%, to end at \$39.99 a barrel. The front-month contract has now climbed for six consecutive sessions. July RBOB tacked on nearly 2.7% to \$1.149 a gallon and July heating oil added 0.9% to \$1.0741 a gallon.

Technical Analysis: July WTI remains above its 10-day moving average, which is currently set at \$35.02, as it continues to grind higher. This spot contract came within 2 cents of the bottom of the gap set between \$37.64 and \$41.88. We would look for attempts to enter the gap, where technical traders will be fishing for stops. Support is set at \$35 and below that at \$33.37. To the upside, resistance is set at \$38.18 and above that at \$40.11.

Fundamental News: US President, Donald Trump, is expected to sign an executive order allowing Federal agencies to use emergency powers to fast track energy projects.

Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, June 2nd fell by 1,226,370 barrels on the week and by 594,031 barrels from Friday, May 29th to 53,710,931 barrels.

Ship brokers and tanker market watchers said an oversupply of crude and oil products stored in tankers at sea will take months to clear, although a recovery in global energy demand has reduced the volume compared with a peak reached in May.

Foreign trade data from the US Census Bureau showed that US crude oil exports fell to 3.08 million bpd in April from 3.56 million bpd in March.

Three OPEC+ sources stated that OPEC+ oil producers could still hold a virtual ministerial meeting this week if Iraq and others that have not fully complied with current oil supply cuts agree to increase their adherence. The Organization of the Petroleum Exporting Countries and its allies led by Russia, a group known as OPEC+, are still debating when to hold their virtual ministerial meeting to discuss a possible extension of oil supply cuts. A suggestion by current OPEC president Algeria to hold the meeting on Thursday was held up by discussions over some countries' poor level of compliance in May. The sources stated that a ministerial meeting could be called at short notice this week if there is an agreement.

Interfax news agency reported that Russia's Energy Minister, Alexander Novak, said that the oil market in July could face a shortage of 3-5 million bpd, depending on a deal to be reached by OPEC+ producers.

Royal Dutch Shell Plc and Murphy Oil began evacuating non-essential workers from the US Gulf of Mexico on Thursday because of the threat from Tropical Storm Cristobal. Shell and Murphy's announcements brings the number of companies evacuating workers from the Gulf to five because of Cristobal, which is forecast to pass through offshore oil production areas in northern Gulf over the weekend.

Early Market Call - as of 8:50 AM EDT

WTI - July \$38.90, up \$1.52

RBOB - July \$1.1957, up 4.67 cents

HO - July \$1.13, up 5.59 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-20	1.0741	0.0095	-0.0990
Aug-20	1.1069	0.0097	-0.0920
Sep-20	1.1357	0.0091	-0.0877
Oct-20	1.1610	0.0089	-0.0850
Nov-20	1.1836	0.0090	-0.0828
Dec-20	1.2015	0.0088	-0.0809
Jan-21	1.2192	0.0085	-0.0792
Feb-21	1.2353	0.0084	-0.0784
Mar-21	1.2480	0.0084	-0.0772
Apr-21	1.2541	0.0083	-0.0753
May-21	1.2617	0.0084	-0.0741
Jun-21	1.2717	0.0089	-0.0732
Jul-21	1.2887	0.0094	-0.0727
Aug-21	1.3045	0.0100	-0.0722
Sep-21	1.3175	0.0105	-0.0719
Oct-21	1.3299	0.0111	-0.0720
Nov-21	1.3400	0.0119	-0.0731

Sprague Heat Weighted Strip October -April 20/2021			\$1.2184
		Close	Change
Crude - WTI	Aug Brent-	\$37.7200	\$0.1300
Crude - Brent	WTI Spread	\$39.9900	\$0.2000
Natural Gas	\$2.27	\$1.8220	\$0.0010
Gasoline		\$1.1490	\$0.0297

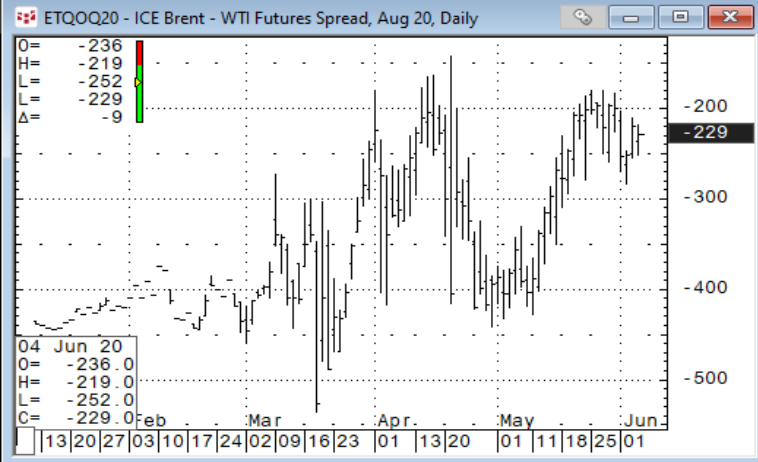
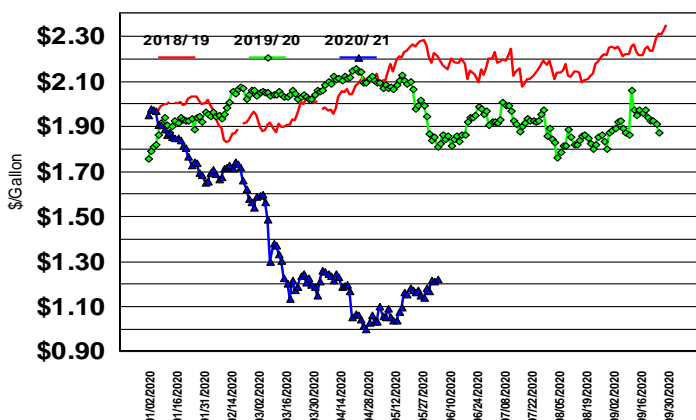
EIA Working Gas Storage Report

	29-May-20	22-May-20	Change	Year Ago
East	536	504	32	405
Midwest	634	606	28	425
Mountain	140	132	8	99
Pacific	273	254	19	209
South Central	1,131	1,105	26	813
Salt	353	348	5	255
Nonsalt	778	757	21	558
Total	2,714	2,612	102	1,952

Sprague HeatCurve October-April

ICE August Brent- WTI Spread

Sprague HeatCurve October-April



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