

## Market Commentary

**Recap:** Crude prices finished on a positive note, to end the week at a five-month high. Oil markets gained confidence amid rising evidence that Saudi Arabia and other major oil producers are making good on their pledge to reduce production and as supply disruptions from Venezuela lasted longer than usual. Movement to the upside had been suppressed by concerns over the global economic outlook and the trade dispute between the U.S. and China. Since falling by 37 percent to a low of -\$9.56 back in February, the Brent/WTI spread has gained back 32 percent, indicating that despite strong U.S. exports, WTI is still behind Brent when it comes to demand. For the first time since November, Brent rose above \$70.00 a barrel, while WTI broke above \$63.00 a barrel. June Brent rose 94 cents, or 1.4%, to close at \$70.34 a barrel, its highest close since November 8. Brent rose 4.1% for the week, for its second consecutive positive weekly performance. WTI crude for May delivery rose 98 cents, or 1.6%, to finish at \$63.08 a barrel. It rose 4.9% for the week, for its fifth straight weekly win. Brent is up 30.7% in the year to date, while WTI has rallied nearly 39%. May RBOB rose 2.88 cents, or 1.5%, to settle at \$1.9687 a gallon, the highest finish since Oct. 16. May heating oil ended 2.9 cents higher at \$2.0424, a gain of 1.4%.

**Technical Analysis:** WTI had a strong finish to the week, as it closed above \$61.51, the 50 percent set by the range between the October 2018 high of \$79.43 and the December low of \$43.59. Although moving oscillators are set high in over bought territory, they are not showing any sign of crossing to the downside. We would expect to see prices head higher at the onset of the week, with stretches toward the \$65.00 level. Resistance is set at \$63.98 and above that at \$65.70. Support is set at \$61.13 and below that at \$60.54.

**Fundamental News:** Baker Hughes' international rig count for March was 1,039, up 12 on the month. The average US rig count for March was 1,023, down 26 on the month. Its worldwide rig count for March was 2,213, down 93 on the month.

Russia's Energy Minister, Alexander Novak, said Russia's oil production may increase again this year if a global oil agreement to cut production is not extended once it expires before July 1<sup>st</sup>. Russia's output reached a record high of 556 million tons or 11.16 million bpd last year.

Russia's Energy Minister said the country's output may reach 560 million tons this year if the deal is not extended. He reiterated that it was too early to say if the output cut agreement would be extended.

Libya's El Sharara oilfield is working normally and exports are passing through the Zawiya port without any problems.

Fitch Ratings' senior director, Dmitry Marinchenko, said a faltering global economy may start eating into demand for oil as early as this year, pushing prices lower. He said the rating agency expects global economic growth to slow to 2.8% in 2019-2020 from 3.2% in 2018. Fitch Ratings sees 2019 oil prices averaging about \$65/barrel, falling to \$62.50/barrel in 2020 and \$57.50/barrel by 2022.

Sources familiar with Saudi energy policy said the country is threatening to sell its oil in currencies other than the dollar if Washington passes a bill exposing OPEC members to US antitrust lawsuits.

US Vice President, Mike Pence, said the Trump administration will impose sanctions on 34 vessels owned or operated by PDVSA. The US will also sanction two additional companies that transport Venezuelan crude to Cuba.

IIR Energy reported that US oil refiners are expected to shut in 1.525 million bpd of capacity in the week ending April 5<sup>th</sup>, increasing available refining capacity by 173,000 bpd from the previous week.

**Early Market Call - as of 8:45 AM EDT**

WTI - May \$63.36, up 28 cents

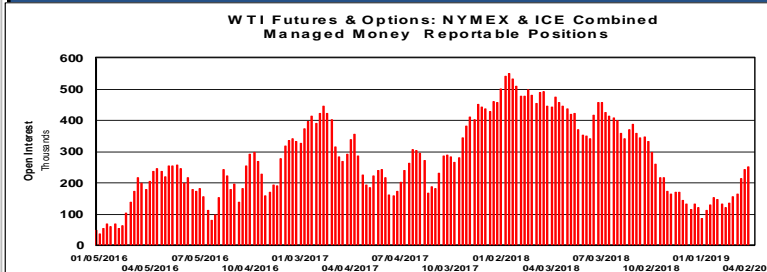
RBOB - May \$1.9767, up 77 points

HO - May \$2.0488, up 65 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$2.0424	\$0.0290	\$0.0710
Jun-19	\$2.0452	\$0.0286	\$0.0704
Jul-19	\$2.0497	\$0.0286	\$0.0698
Aug-19	\$2.0557	\$0.0281	\$0.0680
Sep-19	\$2.0645	\$0.0274	\$0.0661
Oct-19	\$2.0729	\$0.0270	\$0.0650
Nov-19	\$2.0801	\$0.0266	\$0.0640
Dec-19	\$2.0860	\$0.0260	\$0.0630
Jan-20	\$2.0911	\$0.0254	\$0.0618
Feb-20	\$2.0892	\$0.0247	\$0.0595
Mar-20	\$2.0814	\$0.0239	\$0.0564
Apr-20	\$2.0667	\$0.0231	\$0.0537
May-20	\$2.0548	\$0.0220	\$0.0507
Jun-20	\$2.0464	\$0.0209	\$0.0472
Jul-20	\$2.0430	\$0.0204	\$0.0449
Aug-20	\$2.0412	\$0.0199	\$0.0437
Sep-20	\$2.0407	\$0.0192	\$0.0423

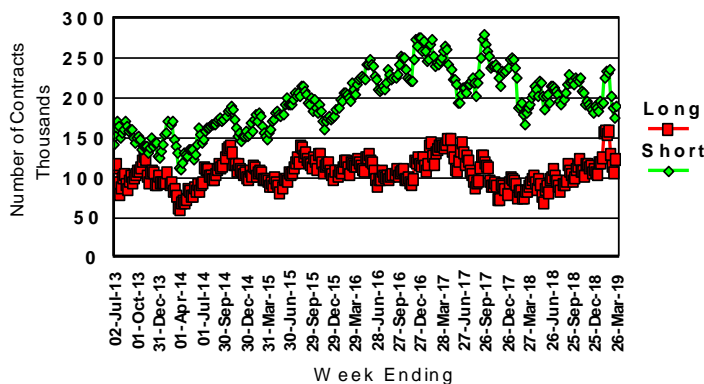
Sprague HeatCurve Oct 2019-Apr 2020		\$2.0836	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread \$7.19	\$63.1500	\$0.9600
Crude - Brent		\$70.3400	\$0.9400
Natural Gas		\$2.6640	\$0.0210
Gasoline		\$1.9687	\$0.0288



## Commitment of Traders Report for the Week Ending April 2, 2019

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

