

Market Commentary

Recap: Oil prices rose on Friday as oil producers cut the number of rigs in the U.S. and Canada. However, both Brent and WTI fell for third straight week as global production shutdowns failed to keep pace with the collapse in demand caused by the coronavirus pandemic. Market participants continue to struggle with unprecedented volatility, after the now-expired May contract fell into negative territory for the first time ever, meaning that sellers had to pay buyers to take oil off their hands. June WTI gained 44 cents, or 2.7%, to settle at \$16.94 a barrel, but the contract traded as low as \$15.64 in the overnight session. On Thursday, June Brent rose 11 cents, or 0.5%, at \$21.44 a barrel, after gaining 4.7% on Thursday. For the week, June Brent declined 23.7% for the week. May RBOB settled at 66.12 cents a gallon, up 2.7% for the session, but registering a weekly loss of 7%. May heating oil lost about 12% to 64.67 cents a gallon, ending over 32.4% lower on the week. That was the biggest weekly percentage loss for a front-month contract since the period ended Jan. 5, 1990.

Technical Analysis: With storage drying up and no one wanting to take delivery, we could see the June contract go south just like the recently expired May contract. However, we would not discount a push toward \$20, where this market is sure to encounter heavy selling. We would look for continued volatility, with sellers being on the defensive, and ultimately taking this market back toward \$10. Above \$20, there is resistance set at \$20.72 and above that at \$21.75. To the downside, support is set at \$13.70 and below that at \$11.70.

Fundamental News: Bloomberg News reported that US Treasury Secretary, Steven Mnuchin, said he is considering a government lending program for U.S. oil companies looking for federal aid as they cope with a devastating plunge in prices. He said the Trump administration is considering taking stakes in the companies. President Trump, speaking alongside the US Treasury Secretary, said he wants to help the oil and gas industry and suggested the federal government could buy fuel for the country in advance as well as purchase airline tickets in advance. He said Russia and Saudi Arabia could make further productions and added that Texas and Oklahoma are cutting production as well as Canada.

Sources stated that supertanker freight rates fell this week as increasing demand for floating storage cooled and crude oil output is expected to fall. However, the sources stated that tanker rates may rise again amid a growing global glut of crude supplies with more oil cargoes on board tankers struggling to find a home being forced into floating storage. Of the roughly 800 VLCCs in the global fleet, as of today 10% of them have been contracted for floating storage, according to Sharma adding that this number could increase depending on the oil price.

Baker Hughes reported that US drillers cut the number of rigs searching for crude oil for the sixth consecutive week. Drillers cut 60 oil rigs in the week ending April 24th to 378, the lowest level since July 2016. US drillers cut 246 oil rigs in April, the largest monthly cut since January 2015. It also reported that Canadian drillers cut oil and gas rigs to a record low of 26 rigs.

IIR Energy reported that US oil refiners are expected to shut in 4.5 million bpd of capacity in the week ending April 24th, cutting available refining capacity by 71,000 bpd from the previous week. Offline capacity is expected to fall to about 3.9 million bpd in the week ending May 1st and to 935,000 bpd in the subsequent week.

Early Market Call - as of 9:45 AM EDT

WTI - June \$12.28, down \$4.66

RBOB - May \$.6354, down 2.58 cents

HO - May \$.6275, down 1.92 cents

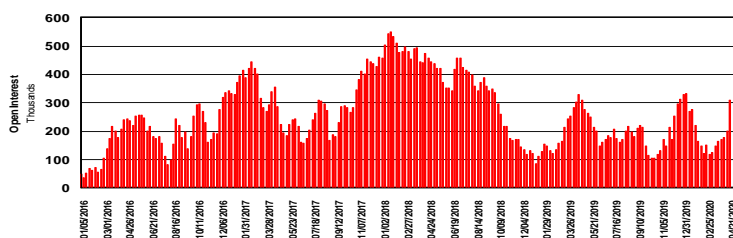
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-20	0.6467	-0.0878	0.3096
Jun-20	0.7328	-0.0582	0.2472
Jul-20	0.8028	-0.0425	0.2184
Aug-20	0.8649	-0.0342	0.1988
Sep-20	0.9153	-0.0300	0.1881
Oct-20	0.9577	-0.0272	0.1796
Nov-20	0.9936	-0.0239	0.1690
Dec-20	1.0221	-0.0202	0.1587
Jan-21	1.0478	-0.0179	0.1502
Feb-21	1.0684	-0.0167	0.1433
Mar-21	1.0849	-0.0160	0.1380
Apr-21	1.0945	-0.0153	0.1351
May-21	1.1062	-0.0139	0.1321
Jun-21	1.1191	-0.0131	0.1306
Jul-21	1.1377	-0.0128	0.1307
Aug-21	1.1555	-0.0124	0.1305
Sep-21	1.1696	-0.0123	0.1310

Sprague Heat Weighted Strip October -April 20/2021 \$1.0443

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$16.9400	\$0.4400
Crude - Brent	WTI Spread	\$21.4400	\$0.1100
Natural Gas	\$4.50	\$1.7460	-\$0.0690
Gasoline		\$0.6612	\$0.0176

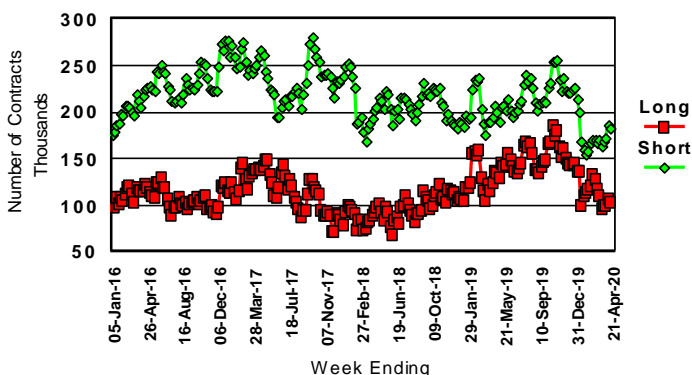
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending April 21, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

