

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures climbed for the fourth straight session on Thursday, settling at their highest level in a month, as optimism over demand, amid falling U.S. crude oil inventories remains the key focus among traders. Once again, weakness in the U.S. dollar also lent support. Traders are also focused on nuclear deal talks between the U.S. and world powers. The lack of any clear path to a quick deal keeps 2 million barrels a day of Iranian oil exports off the global market. WTI for May delivery added 31 cents, or 0.49%, to settle at \$63.46 a barrel, while June Brent tacked on 36 cents, or 0.54%, to settle at \$66.94 a barrel. May RBOB rose 0.8%, to settle at \$2.05 a gallon, while May heating oil rose 0.55, to \$1.90 a gallon.

Technical Analysis: Despite fundamentals continuing to look supportive, U.S. production is expected to rise as the market stabilizes near pre-pandemic levels, as the possibility of Iranian crude oil hitting the market becomes more likely. This also comes as OPEC and its allies agreed to begin gradually increasing output in May, June and July. There remains a rise in the number of COVID19 cases across the globe, while vaccine rollouts hit snags. On the supportive side, the International Energy Agency (IEA) and OPEC upwardly revised global oil demand growth forecasts for 2021, to 5.7 million barrels per day and 5.95 million barrel per day respectively. The IEA also predicts global demand and supply were set to re-balance in the second half of the year and that producers may then need to pump 2 million barrels per day more to meet the expected demand. At this point, technical indicators look supportive, as WTI continues to pull away from the congestion pattern it broke out of on Wednesday. Resistance remains at \$65 and above that at \$66.40. Support is seen at \$62.27 and \$61.24.

Fundamental News: Goldman Sachs said it remains above consensus on oil demand forecasts through 2025 and does not forecast peak oil demand this decade. It expects oil demand growth beyond 2025 to be slow, mainly due to electrification. It bought forward its forecast for peak oil demand in the transportation sector by one year. It expects transport oil demand to peak in 2026 but sees increased growth for petrochemicals and jet fuel offsetting declines in transport demand in 2025-2030.

No arrivals of diesel and gasoil from the United States into Europe were expected this week, with just 76,000 tons of product arriving in Europe so far in April.

Iran and global powers resumed talks on Thursday to rescue the 2015 nuclear deal in an effort potentially complicated by Iran's decision to enrich uranium at 60% purity, a big step closer to the 90% that is weapons-grade material, in response to an explosion at its key Natanz facility on Sunday. Calling the move "provocative", the United States and the European parties to the deal warned that Tehran's enrichment move was contrary to efforts to revive the accord abandoned by Washington three years ago. Meanwhile, Iran's Deputy Foreign Minister, Abbas Araghchi, said talks between Iran and world powers, including the U.S, will be suspended if they aren't constructive or don't head in the right direction. He said European countries' failure to condemn Sunday's attack on Iran's Natanz facility made Iran question their good will in nuclear talks. Separately, Iran's President, Hassan Rouhani said the country could enrich uranium beyond the 60% purity announced this week if it wants to but added that it is not Iran's intention. He said Iran is not pursuing a nuclear weapon.

The EPA reported that the U.S. generated 406 million biodiesel (D4) blending credits in March compared with 306 million credits in February. U.S. generated 1.19 billion ethanol (D6) blending credits in March compared with 903 million credits in February.

Early Market Call - as of 8:50 AM EDT

WTI - May \$63.61 Up 0.10
 RBOB - May \$2.0593 Up 0.0075
 HO - May \$1.9060 up 0.0071

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8989	0.0089	-0.0891
Jun-21	1.9004	0.0084	-0.0886
Jul-21	1.9029	0.0085	-0.0884
Aug-21	1.9055	0.0079	-0.0878
Sep-21	1.9095	0.0075	-0.0880
Oct-21	1.9127	0.0071	-0.0876
Nov-21	1.9152	0.0069	-0.0869
Dec-21	1.9154	0.0065	-0.0858
Jan-22	1.9158	0.0055	-0.0836
Feb-22	1.9135	0.0047	-0.0816
Mar-22	1.9068	0.0039	-0.0796
Apr-22	1.8952	0.0031	-0.0776
May-22	1.8885	0.0023	-0.0759
Jun-22	1.8836	0.0014	-0.0738
Jul-22	1.8850	0.0008	-0.0722
Aug-22	1.8864	0.0003	-0.0707
Sep-22	1.8884	-0.0003	-0.0694

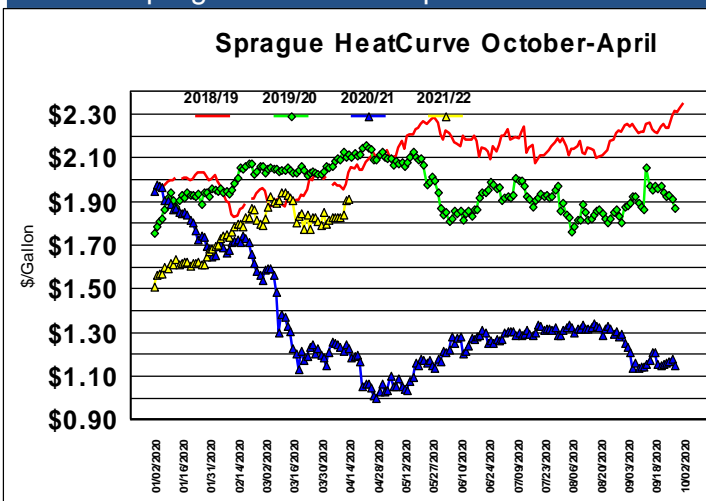
Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	May Brent- WTI Spread \$3.43	\$63.5100	\$0.2900
Crude - Brent		\$66.9400	\$0.3600
Natural Gas		\$2.6580	\$0.0400
Gasoline		\$2.0518	\$0.0163

EIA Working Gas Storage Report

	09-Apr-21	02-Apr-21	Change	09-Apr-2020
East	311	305	6	397
Midwest	414	398	16	485
Mountain	118	115	3	95
Pacific	205	198	7	203
South Central	798	768	30	906
Salt	251	235	16	283
Nonsalt	547	533	14	623
Total	1,845	1,784	61	2,087

Sprague HeatCurve April-October

WTI Continuation



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