

## Market Commentary

**Recap:** WTI rose from its lowest level in a month, shrugging off Wednesday's EIA report, which reflected a 2.07 build in U.S. crude oil inventories. Prices rose on increasing concern over falling Venezuelan exports and pending US sanctions on Iran. After pivoting around \$65.00 a barrel in overnight trading, July WTI broke to the upside, but stopped short of \$66.30, the 10-day moving average. This spot contract settled at \$65.95 a barrel, up \$1.22, or 1.88%. August Brent rose above \$77 a barrel, to settle at \$77.32, up \$1.96, or 2.60%.

July RBOB rose 4.48 cents, or 2.2%, to \$2.1148 a gallon, its largest daily percentage increase since May 9, while July heating oil added 5.33 cents, or 2.5%, to \$2.1799 a gallon.

**Fundamental News:** Algeria's Energy Minister, Mustapha Guitouni, said OPEC and non-OPEC producers will focus on measures to balance the oil market at their meeting later this month.

According to OPEC's Annual Statistical Bulletin 2018, the value of OPEC members' petroleum exports increased by 28% in 2017. Exports from OPEC increased in value to \$578.3 billion last year from \$451.8 billion in 2016. In its report, OPEC updated its oil output target to include its newest member, Equatorial Guinea. It lists Equatorial Guinea's production allocation as 178,000 bpd, which brings the overall target for the 12 OPEC members participating in the output cut agreement to 29.982 million bpd.

Venezuela is nearly a month behind delivering crude to customers from its main oil export terminals, according to shipping data. Tankers waiting to load more than 24 million barrels of crude, almost as much as PDVSA shipped in April, are sitting off the country's main oil port. Later on Thursday, PDVSA completed its first ship-to-ship transfer designed to ease a severe bottleneck of tankers around its main crude ports.

The Louisiana Offshore Oil Port sold the equivalent of 5.53 million barrels of LOOP Sour crude oil storage in its monthly storage futures auction on Tuesday. It is down from 7.34 million barrels of LOOP storage sold in the May auction.

Enterprise Product Partners will bring in a second VLCC at its Texas City port terminal by the third week of June after a successful test run to berth mega tankers at the Houston Ship Channel facility.

Gasoline stocks held in independent storage in the week ending June 7<sup>th</sup> increased by 4.47% on the week and by 17.94% on the year to 1.052 million tons. Gasoil stocks fell by 0.77% on the week and by 23.29% on the year to 2.069 million tons while fuel oil stocks increased by 3.07% on the week and by 100.88% on the year to 1.141 million tons. Naptha stocks increased by 10.24% on the week and by 3.1% on the year to 366,000 tons while jet fuel stocks increased by 4.1% on the week but fell by 2.42% on the year to 685,000 tons.

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

WTI - July \$65.73, down 22 cents  
 RBOB - July \$2.1162, up 12 points  
 HO - July \$2.1750, down 48 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-18	\$2.1799	\$0.0533	-\$0.0247
Aug-18	\$2.1839	\$0.0516	-\$0.0233
Sep-18	\$2.1881	\$0.0505	-\$0.0228
Oct-18	\$2.1924	\$0.0505	-\$0.0208
Nov-18	\$2.1965	\$0.0500	-\$0.0176
Dec-18	\$2.1983	\$0.0490	-\$0.0148
Jan-19	\$2.2025	\$0.0483	-\$0.0120
Feb-19	\$2.2029	\$0.0478	-\$0.0097
Mar-19	\$2.1980	\$0.0473	-\$0.0084
Apr-19	\$2.1733	\$0.0458	-\$0.0090
May-19	\$2.1782	\$0.0443	-\$0.0104
Jun-19	\$2.1713	\$0.0428	-\$0.0117
Jul-19	\$2.1708	\$0.0426	-\$0.0093
Aug-19	\$2.1733	\$0.0423	-\$0.0068
Sep-19	\$2.1789	\$0.0416	-\$0.0069
Oct-19	\$2.1842	\$0.0411	-\$0.0071
Nov-19	\$2.1881	\$0.0409	-\$0.0072

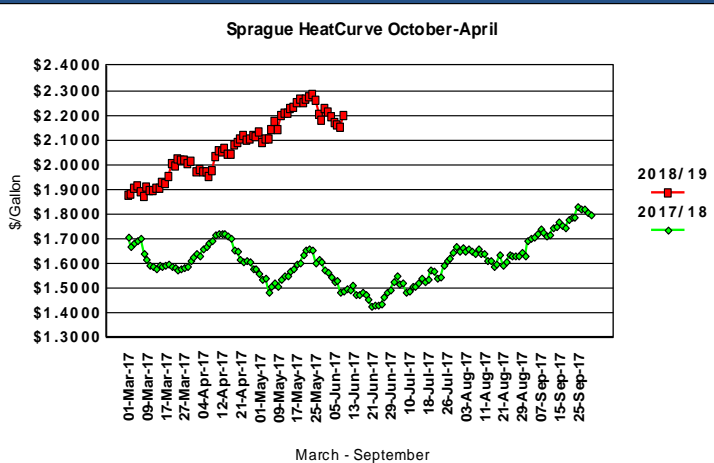
### Sprague HeatCurve Oct 2018-April 2019 \$2.1983

Other Front Month NYMEX		Close	Change
Crude - WTI	Aug Brent-	\$65.8900	\$1.1900
Crude - Brent	WTI Spread	\$77.3200	\$1.9600
Natural Gas	\$11.43	\$2.9300	\$0.0340
Gasoline		\$2.1148	\$0.0448

### EIA Natural Gas Storage Report

	01-Jun-18	25-May-18	Change	Year Ago
East	351	328	23	452
Midwest	341	315	26	610
Mountain	121	113	8	171
Pacific	231	221	10	267
South Central	773	748	25	1,116
Salt	245	235	10	345
Nonsalt	528	514	14	771
Total	1,817	1,725	92	2,616

## Sprague Heat Curve Winter 2018/19



## ICE Aug WTI-Brent Spread

