

Market Commentary

Recap: Oil prices reversed early losses on Thursday, supported by strong U.S. economic data that waylaid trader's concerns about the potential for a rise in Iranian supplies. A rise in equities also lent support, while the dollar hovered around the unchanged level. U.S. crude futures have been stuck in a \$10 trading range since March as a spotty global demand recovery and concerns over supply hold back a breakout rally to new-multi-year highs. A gauge of market volatility has slumped to the lowest since February, while aggregate open interest in WTI is down from its March peak. Still, investment banks like Goldman and JPMorgan Chase & Co. remain bullish on oil's price trajectory heading into year-end. July WTI added 64 cents, or 0.97%, to settle at \$66.85 a barrel. July Brent tacked 59 cents, or 0.86%, to settle at \$69.46 a barrel. June RBOB gained 0.17 cents, 0.08%, to settle at \$2.1518 a gallon, up 3.45 cents, or 1.63% over the last two sessions. June heating oil settled at \$2.0564, for a gain of 1.12 cents.

Technical Analysis: For the first time in seven attempts, WTI settled above the upper line on the ascending triangle that can be depicted on a spot continuation chart. This line dates back to March when the market peaked at \$67.98. Coming into Friday's session, we would look for an attempt to recapture this level, but it is Friday of a long U.S. holiday weekend, so we could see gains that are made pared as traders take on some profits ahead of the weekend. Above \$67.98, there is resistance set at \$68.50. To the downside, support rests at \$65 and below that at \$62.57.

Fundamental News: JP Morgan sees Brent crude prices averaging \$74/barrel in second half of 2021. It increased its third quarter and fourth quarter forecasts by \$5/barrel and \$3/barrel, respectively. The forecast pulls forward \$80/barrel Brent price to year-end 2021 compared with its previous forecast for the second quarter of 2022. JP Morgan forecast global oil demand averaging 95.5 million bpd in the second quarter and 98.7 million bpd in the third quarter with risks likely still skewed to the upside. In regards to Iran, it stated that the country can add 500,000 bpd by the end of 2021, and another 500,000 bpd by August 2022 to reach 4 million bpd of crude and condensate production. Adding storage, Iran can easily export 625,000 bpd over the rest of the year, adding an incremental 1.1 million bpd in the second half of 2021. JP Morgan does not expect OPEC+ to increase production further past the combined 2.1 million bpd between May and July.

Goldman Sachs analysts, including Jeff Currie and Damien Courvalin, said the pullback in commodities after China's warning over onshore speculation is a "clear buying opportunity". Citigroup said OPEC+ will likely continue with its scheduled supply increase in June but may reconsider it plan for July with Iranian supply set to return.

The American Automobile Association reported that retail gasoline prices are at about \$3.04/gallon on average nationwide, the most expensive since 2014. The price of gasoline is 16 cents higher on the month and \$1.08/gallon on the year.

The Department of Homeland Security issued a new security directive for pipeline owners and operators. Energy pipeline companies will have to report cybersecurity incidents to the U.S. government under the new directives. The directive will impose fines on pipeline companies that fail to report incidents within 12 hours and mandate that the pipeline companies designate a cybersecurity coordinator to report incidents and coordinate with the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency.

Early Market Call - as of 8:00 AM EDT

WTI - July \$67.27, up 42 cents
 RBOB - June \$2.1652, up 1.34 cents
 HO - June \$2.0674, up 1.10 cents

All NYMEX | Prior Settlements

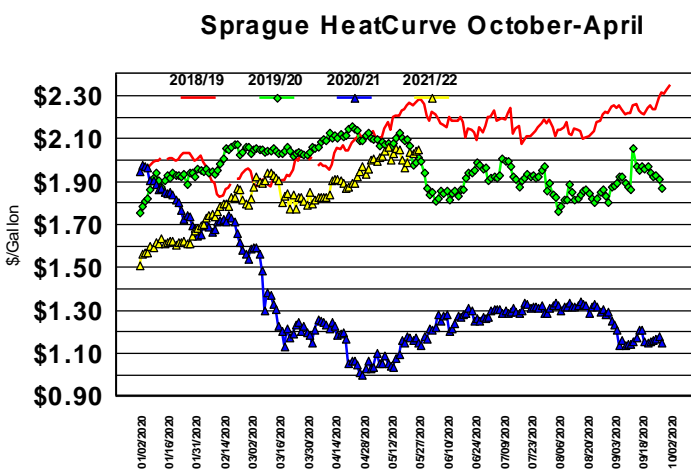
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	2.0564	0.0112	0.0920
Jul-21	2.0552	0.0113	0.0917
Aug-21	2.0566	0.0114	0.0919
Sep-21	2.0589	0.0114	0.0922
Oct-21	2.0599	0.0116	0.0923
Nov-21	2.0598	0.0117	0.0915
Dec-21	2.0585	0.0116	0.0909
Jan-22	2.0571	0.0114	0.0901
Feb-22	2.0516	0.0112	0.0886
Mar-22	2.0418	0.0108	0.0871
Apr-22	2.0281	0.0101	0.0859
May-22	2.0200	0.0097	0.0848
Jun-22	2.0137	0.0089	0.0837
Jul-22	2.0122	0.0085	0.0829
Aug-22	2.0114	0.0084	0.0824
Sep-22	2.0118	0.0083	0.0828
Oct-22	2.0123	0.0076	0.0810

Sprague HeatCurve October 2021-April 2022			\$2.0519
		Close	Change
Crude - WTI	July Brent- WTI Spread \$2.61	\$66.8500	\$0.6400
Crude - Brent		\$69.4600	\$0.5900
Natural Gas		\$2.9580	-\$0.0690
Gasoline		\$2.1518	\$0.0017

EIA Working Gas Storage Report

	21-May-21	14-May-21	Change	21-May-2020
East	385	358	27	499
Midwest	499	472	27	602
Mountain	144	135	9	131
Pacific	256	247	9	262
South Central	931	888	43	1,102
Salt	296	280	16	348
Nonsalt	635	608	27	754
Total	2,215	2,100	115	2,596

Sprague HeatCurve October-April



WTI Continuation

