

Market Commentary

Recap: Oil prices rose as much as 2.6 percent on Monday, with May WTI rising to a high of \$61.72 a barrel, and May Brent reaching a high of \$69.19 a barrel. Prices were exalted by upbeat global economic news and tighter supplies. Both China and the U.S. reported positive manufacturing news, with numbers being better than expected. Prices reached their highest level in almost 5 months, and held firm throughout the session, slightly trimming gains before the settlement period. May WTI settled at \$61.59 a barrel, up \$1.45, or 2.41 percent, while Brent for June delivery tacked on \$1.43, or 2.12 percent to settle at \$69.01 a barrel. May RBOB rose 0.9% to end at \$1.8989 a gallon, while May heating oil rose 0.9% to \$1.9881 a gallon.

Technical Analysis: For the first time since November, WTI settled above \$61.13, the 50 percent retracement provided by the range between the October 2018 high of \$79.43 and the December low of \$43.59. This puts WTI in a position to test the 200-day moving average, which is currently set at \$62.39. Above this level, additional resistance is set at \$62.25. Support is set at \$61.13 and below that at \$60.54.

Fundamental News: Genscape reported that crude stocks held in Cushing, Oklahoma in the week ending Friday, March 29th increased by 140,562 barrels on the week but fell by 170,121 barrels from Tuesday, March 26th to 48,632,974 barrels.

Bank of America Merrill Lynch forecast second quarter Brent crude oil prices at \$74/barrel. It sees Brent crude prices averaging \$70/barrel in 2019 and \$65/barrel in 2020. It sees WTI oil prices averaging \$59/barrel in 2019 and \$60/barrel in 2020.

According to a Reuters survey, OPEC's total oil production fell to a four-year low in March of 30.4 million bpd, down 280,000 bpd on the month. In March, the 11 OPEC members bound by the new output cut agreement achieved 135% of pledged cuts, up from 101% in February. The survey suggests that Saudi Arabia and its Gulf allies are pressing ahead with even larger supply cuts than called for by OPEC's latest deal.

Iran's Oil Minister, Bijan Zanganeh, said the balance between supply and demand in the oil market is fragile. He called on crude producers to be wary of issues caused by US sanctions. He said it should be straight-forward to extend the global oil output deal between OPEC and non-OPEC countries and that the deal was going well. Following a meeting with Russia's Energy Minister, Alexander Novak, Iran's Oil Minister said he and his Russian counterpart had agreed at the meeting to strengthen ties between the two oil exporters.

Iraq's Oil Ministry reported that the country's oil exports fell to an average of 3.377 million bpd in March. Iraq exported 3.62 million bpd of crude oil in February. Exports from Iraq's southern Basra oil ports stood at 3.254 million bpd, down from 3.54 million bpd in February. Bad weather in the Gulf halted the loading of crude on some days. Shipments from Iraq's northern Kirkuk oilfields to the Turkish port of Ceyhan increased to 99,000 bpd from 63,000 bpd in February.

IIR Energy reported that US oil refiners are expected to shut in 1.2 million bpd of capacity in the week ending April 5th, increasing the available refining capacity by 650,000 bpd from the previous week. The offline capacity is expected to fall to 984,000 bpd in the week ending April 12th.

Early Market Call - as of 8:25 AM EDT

WTI - May \$61.75, up 17 cents

RBOB - May \$1.8940, down 47 points

HO - May \$1.9889, up 11 points

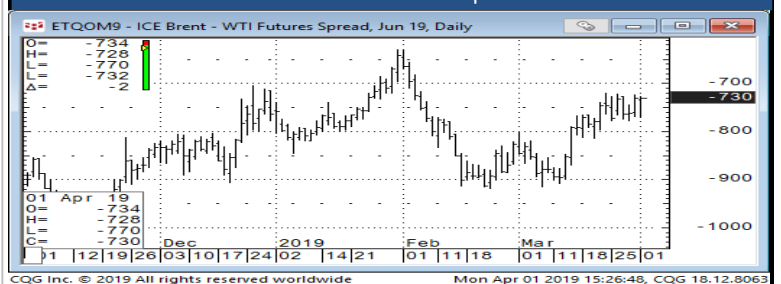
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$1.9881	\$0.0167	\$0.0067
Jun-19	\$1.9919	\$0.0171	\$0.0077
Jul-19	\$1.9970	\$0.0171	\$0.0077
Aug-19	\$2.0050	\$0.0173	\$0.0086
Sep-19	\$2.0158	\$0.0174	\$0.0098
Oct-19	\$2.0252	\$0.0173	\$0.0107
Nov-19	\$2.0331	\$0.0170	\$0.0106
Dec-19	\$2.0395	\$0.0165	\$0.0095
Jan-20	\$2.0456	\$0.0163	\$0.0087
Feb-20	\$2.0455	\$0.0158	\$0.0073
Mar-20	\$2.0401	\$0.0151	\$0.0057
Apr-20	\$2.0274	\$0.0144	\$0.0042
May-20	\$2.0177	\$0.0136	\$0.0028
Jun-20	\$2.0118	\$0.0126	\$0.0013
Jul-20	\$2.0101	\$0.0120	\$0.0001
Aug-20	\$2.0095	\$0.0120	-\$0.0006
Sep-20	\$2.0103	\$0.0119	-\$0.0011

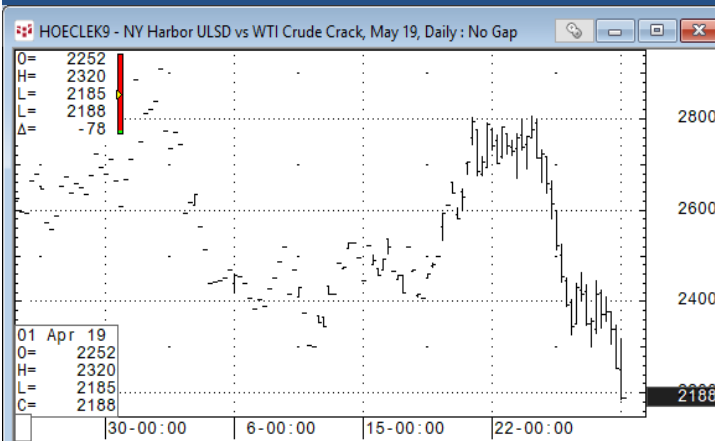
Sprague HeatCurve Oct 2019-Apr 2020

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$61.7100	\$1.4300
Crude - Brent	WTI Spread	\$69.0100	\$1.4300
Natural Gas	\$7.30	\$2.7080	\$0.0460
Gasoline		\$1.8989	\$0.0164

ICE June Brent-WTI spread



May Heating Oil Crack Spread



May RBOB Crack Spread

