

## Market Commentary

**Recap:** The market's reaction to the surprise build in U.S. crude oil and gasoline stockpiles was short lived, having been overshadowed by geopolitical tensions, heightened demand and OPEC lead production cuts. After a brief run at fresh lows, oil prices rebounded along with equities, achieving new highs for the session, as speculative traders added to their already record level longs. June WTI rose above \$68 a barrel, peaking the session at \$68.18, while June Brent broke above \$74 a barrel, reaching a high of \$74.19. Gains were slightly pared, with June WTI settling at \$68.05 a barrel, up 35 cents, or 0.52%, while Brent for June delivery tacked on 14 cents, or .19%, to settle at \$74.00 a barrel.

May RBOB fell 0.3% to \$2.09 a gallon, while May heating oil gained 0.4% to \$2.136 a gallon.

**Fundamental News:** According to the EIA, US distillate stocks fell to 122.7 million barrels last week, the lowest levels since December 2014. It also reported that US exports of crude oil and petroleum products increased to 8.3 million bpd last week, the highest level since the EIA began collecting data in 1991.

Libya resumed crude oil flows to the Es Sider export terminal after completing repairs to the pipeline that was damaged by an explosion on Saturday. Libya's crude oil production was cut by 80,000 bpd after the Saturday attack on the pipeline supplying the Es Sider oil terminal. It was unclear how much oil was being transported following the repairs. Loadings of Es Sider crude resumed on Monday afternoon from the Ras Lanuf port.

Iraq's crude oil exports from its southern region on the Gulf averaged 3.5 million bpd so far in April.

Enbridge's plans to proceed with its Line 3 replacement project delivering an additional 380,000 bpd of Canadian crude to refineries in the US Midwest was approved. An administrative law judge recommended to the Minnesota Public Utilities Commission that an approval be granted for the project as long as the pipeline expansion is carried out along the current corridor rather than an alternate route for which Enbridge is seeking regulatory approval. Adhering to the existing pipeline route would isolate the risk of a spill in an environmentally sensitive part of the state and also prevent the abandonment of nearly 300 miles of steel pipeline. Line 3 currently ships 390,000 bpd of Western Canadian crude from Hardisty, Alberta to Superior, Wisconsin, with the pipeline passing through Minnesota. The Minnesota Public Utilities Commission is due to issue a final judgement in June.

The US State Department's director for policy planning, Brian Hook, said the US is prepared to walk away from the Iran nuclear deal if it cannot reach a side agreement with Europe to strengthen the terms. He said the US and European allies can strike a supplemental agreement without violating the original nuclear deal, called the Joint Comprehensive Plan of Action. He said "the JCPOA is not a treaty." He added that "it's not an executive agreement, it has no signatures, it has no legal status. It is a political commitment by an administration that's no longer in office." Iran's President, Hassan Rouhani, warned earlier on Wednesday that his country would leave the deal if the US tries to renegotiate the terms.

Britain is working closely with allies to address issues relating to Iran, a government spokesman. Meanwhile, French President Emmanuel Macron said he spoke to President Trump about a new deal in which the US and Europe would tackle outstanding concerns about Iran beyond its nuclear program.

**Early Market Call - as of 8:30 AM EDT**

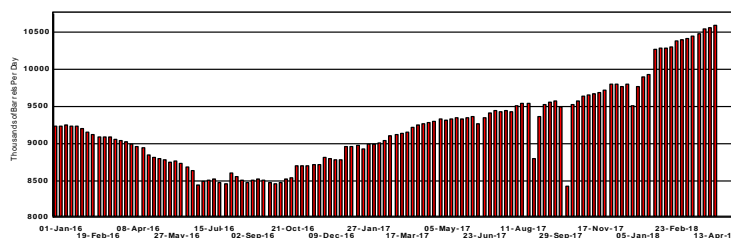
WTI - June \$68.62, up 57 cents  
 RBOB - May \$2.1093, up 1.42 cents  
 HO - May \$2.1454, up 2.22 cents

## All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.1360	\$0.0084	\$0.0449
Jun-18	\$2.1235	\$0.0052	\$0.0352
Jul-18	\$2.1168	\$0.0034	\$0.0300
Aug-18	\$2.1127	\$0.0029	\$0.0266
Sep-18	\$2.1122	\$0.0024	\$0.0245
Oct-18	\$2.1128	\$0.0019	\$0.0236
Nov-18	\$2.1129	\$0.0014	\$0.0235
Dec-18	\$2.1103	\$0.0015	\$0.0232
Jan-19	\$2.1083	\$0.0012	\$0.0228
Feb-19	\$2.1020	\$0.0007	\$0.0230
Mar-19	\$2.0895	\$0.0003	\$0.0236
Apr-19	\$2.0713	\$0.0001	\$0.0240
May-19	\$2.0602	\$0.0003	\$0.0268
Jun-19	\$2.0515	\$0.0007	\$0.0287
Jul-19	\$2.0482	\$0.0010	\$0.0281
Aug-19	\$2.0487	\$0.0014	\$0.0288
Sep-19	\$2.0524	\$0.0019	\$0.0293

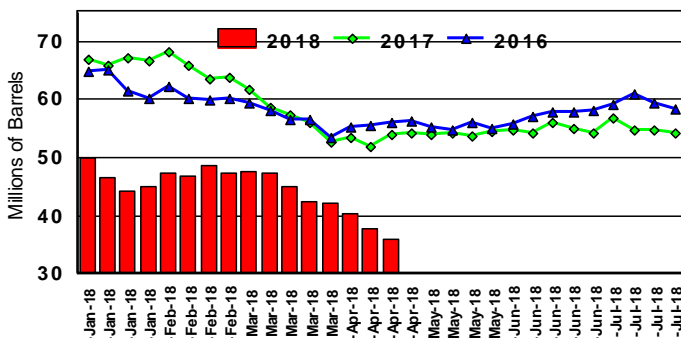
Sprague HeatCurve Oct 2018-April 2019		\$2.1022
Other Front Month NYMEX	Close	Change
Crude - WTI	June Brent- \$68.0500	\$0.3500
Crude - Brent	WTI Spread \$74.0000	\$0.1400
Natural Gas	\$5.95 \$2.7860	\$0.0050
Gasoline	\$2.0897	-\$0.0052

### U.S. Domestic Crude Production



## EIA Weekly Petroleum Status Report for the Week Ending April 20, 2018

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Up 2.17 million barrels  
 Cushing, OK Crude Stocks Up 459,000 barrels  
**Gasoline Stocks** Up 840,000 barrels  
**Distillate Stocks** Down 2.611 million barrels  
**Refinery % Operated** 90.8%, Down 1.6%

#### PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 20, 2018	Week Ending April 13, 2018	Week Ending Apr 21, 2017
New England	5.2	5.6	7.9
Central Atlantic	19.2	20.6	32.6
Total PADD #1	35.9	37.7	53.8
Distillate Imports (thousands b/d)	70	101	54