

Market Commentary

All NYMEX | Prior Settlements

Recap: After rising to their highest level in seven weeks, oil prices, which had posted two straight days of gains, slipped on Thursday as traders took profits after attempts to breach technical resistance numbers failed. May WTI rose as much as 0.9%, to a high of \$65.74 a barrel, while Brent for May delivery peaked the session at \$69.91 a barrel, up 0.6%. Strength in the dollar and falling equity markets added pressure to WTI with this spot contract falling 87 cents, or 1.33%, to settle at \$64.30, while Brent for May delivery fell 56 cents, or 0.81%, settling at \$68.9.

April RBOB fell 0.1% to \$2.01 a gallon, while April heating oil dipped 0.6% to \$1.992 a gallon.

Fundamental News: Norwegian employers and labor unions failed to reach a deal in initial wage talks on Thursday, leaving it up to a state-appointed mediator to avert widespread strikes. Negotiations will resume after the upcoming Easter holiday, ahead of an April 7th deadline, after which most workers are allowed to go on strike.

Saudi Arabia's Finance Minister, Mohammed Al-Jadaan, said Saudi Arabia is still considering New York, Hong Kong and London for part of its IPO of shares in energy company Saudi Aramco. He said the IPO remains on track.

The Petroleum Association of Japan reported that the country's crude oil inventories in the week ending March 17th fell by 1.04 million barrels on the week and by 2.38 million barrels on the year to 78.56 million barrels. Japan's gasoline stocks increased by 80,000 barrels on the week but fell by 150,000 barrels on the year to 10.77 million barrels while its kerosene stocks increased by 180,000 barrels on the week and by 1 million barrels on the year to 8.63 million barrels and naphtha stocks increased by 500,000 barrels on the week and by 2.18 million barrels on the year to 10.39 million barrels. Japan's crude runs fell by 60,000 bpd on the week but fell by 20,000 bpd on the year to 3.29 million bpd. Japan's total oil sales fell by 5.7% on the week and by 8.4% on the year to 2.35 million bpd.

International Enterprise Singapore reported that the country's residual fuels stocks in the week ending March 21st increased by 349,000 barrels to 24.22 million barrels. It also reported that Singapore's light distillates stocks fell by 284,000 barrels to 14.586 million barrels on the week while its middle distillates stocks increased by 1.653 million barrels to 10.611 million barrels on the week.

Goldman Sachs said that commodities now act as a better hedge of core inflation than at any time in the past. It said that it is possible for spot crude prices to increase significantly above new long term equilibrium levels due to contracting inventories. It also stated that given continued robust demand growth, OPEC will likely overshoot on the inventory rebalancing and sees spot Brent reaching \$82.50/barrel by mid-year.

Cenovus Energy Inc expects full year oil sands volumes for 2018 to be within the company's guidance range of 364,000 to 382,000 bpd. It said it has been operating its oil sands facilities at reduced production rates. It anticipates first quarter oil sands production of between 350,000 and 360,000 bpd.

Early Market Call - as of 9:00 AM EDT

WTI - May \$64.75, up 45 cents
 RBOB - Apr \$2.0265, up 1.66 cents
 HO - Apr \$2.0032, up 1.07 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-18	\$1.9923	-\$0.0114	\$0.0994
May-18	\$1.9950	-\$0.0124	\$0.0973
Jun-18	\$1.9976	-\$0.0121	\$0.0964
Jul-18	\$1.9988	-\$0.0116	\$0.0959
Aug-18	\$1.9991	-\$0.0112	\$0.0952
Sep-18	\$2.0015	-\$0.0102	\$0.0963
Oct-18	\$2.0029	-\$0.0101	\$0.0960
Nov-18	\$2.0030	-\$0.0101	\$0.0949
Dec-18	\$2.0013	-\$0.0099	\$0.0932
Jan-19	\$2.0010	-\$0.0096	\$0.0913
Feb-19	\$1.9976	-\$0.0091	\$0.0890
Mar-19	\$1.9874	-\$0.0089	\$0.0846
Apr-19	\$1.9688	-\$0.0087	\$0.0805
May-19	\$1.9551	-\$0.0088	\$0.0772
Jun-19	\$1.9459	-\$0.0086	\$0.0751
Jul-19	\$1.9443	-\$0.0081	\$0.0750
Aug-19	\$1.9445	-\$0.0077	\$0.0738
Sep-19	\$1.9477	-\$0.0078	\$0.0721

		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.61	\$64.3000	-\$0.8700
Crude - Brent		\$68.9100	-\$0.5600
Natural Gas		\$2.6170	-\$0.0210
Gasoline		\$2.0096	-\$0.0026

EIA Natural Gas Storage Report

	16-Mar-28	09-Mar-28	Change	Year Ago
East	270	314	-44	317
Midwest	315	350	-35	513
Mountain	90	93	-3	137
Pacific	169	169	0	207
South Central	602	606	-4	938
Salt	182	186	-4	299
Nonsalt	419	420	-1	639
Total	1,446	1,532	-86	2,113

ICE May WTI-Brent Spread

8-14 Day Weather Forecast

