

Market Commentary

Recap: Following Thursday's inside trading, the oil market on Friday traded higher ahead of the weekend. The market opened 11 cents higher at \$67.18 and traded mostly sideways before it breached its previous highs and rallied to a high of \$67.76 in overnight trading. The market later wavered between gains and losses as it posted a low of \$66.70. The IEA on Friday reported that it expects the world's demand for oil to increase by 1.5 million bpd in 2018, helping to offset increasing US shale output. The oil market later bounced off its low and traded back towards its high during the remainder of the session. The May WTI contract settled up 32 cents at \$67.39, the highest settlement level since December 1, 2014. The June Brent contract settled up 56 cents at \$72.58. The product markets also settled in positive territory, with the heating oil market settling up 1.64 cents at \$2.1002 and the RBOB market settling up 1.08 cents at \$2.0654.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the week ending April 13th increased by 7 to 815, the highest level since March 2015.

The IEA reported that OPEC and non-OPEC producers appear to have accomplished their mission of bringing global oil stocks to desired levels, signaling that the market could become too tight if supply remains restrained. The IEA said global stocks in developed countries could fall to their five-year average as early as May. It reported that OECD oil stocks fell by a larger than normal 25.6 million barrels in February to 2.84 billion barrels or within just 30 million barrels of their five-year average. The IEA stated that even though non-OPEC output was set to increase by 1.8 million bpd this year on higher US production, it was not enough to meet global demand, expected to increase by 1.5 million bpd or 1.5%. It reported that world oil production fell by 120,000 bpd to 97.8 million bpd during March, after OPEC-led producers cut output by 2.4 million bpd. In terms of demand, the IEA said it still expects global oil demand to increase by 1.5 million bpd to 99.3 million bpd this year, after an upward revision to the US demand picture was largely offset by a downward adjustment for China.

Separately, the IEA stated that China will likely increase the pace of its strategic oil purchases by nearly 30% this year compared with 2017 and its eagerness to build stocks could get a boost from trade tensions with the US. The IEA said that it expects the amount of oil flowing to these sites in 2018 to increase by 34.5 million barrels or 95,000 bpd, up about 28% from 2017's fill of 27 million barrels.

China's General Administration of Customs reported that the country's crude oil imports in March increased to 39.17 million tons or 9.22 million bpd, up from 8.41 million bpd in February but down from 9.57 million bpd in January. Imports for the first quarter increased by 7% on the year to 112.07 million tons or 9.09 million bpd. China's refined oil products exports increased to the highest on record in March at 6.69 million tons.

IIR reported that US oil refiners are expected to shut in 1.15 million bpd of capacity in the week ending April 13th, cutting available refining capacity by 314,000 bpd from the previous week. IIR expects offline capacity to increase to 1.194 million bpd in the week ending April 20th and to 1.237 million bpd in the week ending April 27th.

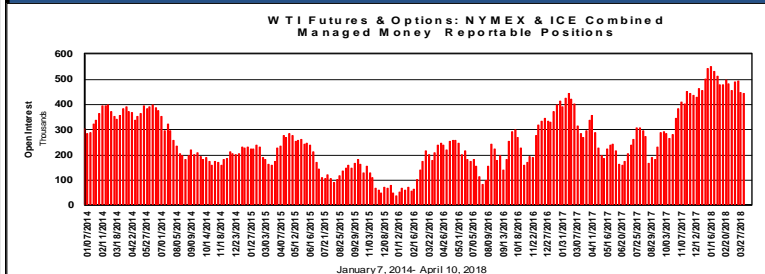
Early Market Call - as of 8:30 AM EDT

WTI - May \$66.60, down 79 cents
 RBOB - May \$2.0425, down 2.31 cents
 HO - May \$2.0809, down 1.92 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.1002	\$0.0164	\$0.1424
Jun-18	\$2.0905	\$0.0149	\$0.1361
Jul-18	\$2.0842	\$0.0155	\$0.1324
Aug-18	\$2.0808	\$0.0157	\$0.1297
Sep-18	\$2.0801	\$0.0150	\$0.1267
Oct-18	\$2.0780	\$0.0144	\$0.1228
Nov-18	\$2.0761	\$0.0140	\$0.1199
Dec-18	\$2.0732	\$0.0132	\$0.1171
Jan-19	\$2.0709	\$0.0127	\$0.1142
Feb-19	\$2.0641	\$0.0122	\$0.1102
Mar-19	\$2.0496	\$0.0117	\$0.1050
Apr-19	\$2.0304	\$0.0110	\$0.1009
May-19	\$2.0151	\$0.0098	\$0.0934
Jun-19	\$2.0036	\$0.0092	\$0.0857
Jul-19	\$2.0005	\$0.0091	\$0.0830
Aug-19	\$1.9997	\$0.0090	\$0.0813
Sep-19	\$2.0022	\$0.0090	\$0.0793

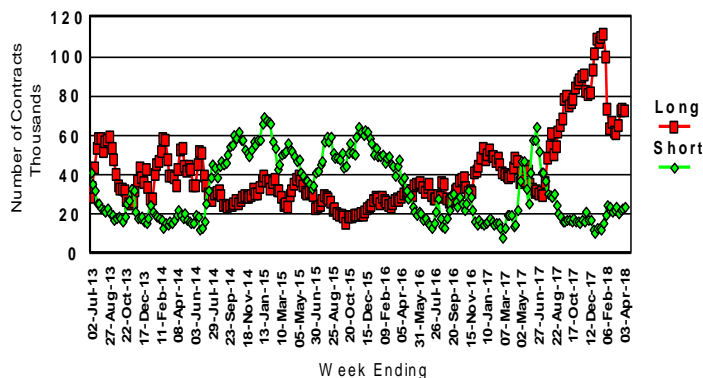
Sprague HeatCurve Oct 2018-April 2019		\$2.0643
Other Front Month NYMEX		Close
Crude - WTI	June Brent-WTI Spread \$5.25	\$67.3300
Crude - Brent		\$72.5800
Natural Gas		\$2.7350
Gasoline		\$2.0654



Commitment of Traders Report for the Week Ending April 10, 2018

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

