

Market Commentary

Recap: Oil futures surged on Friday, with U.S. prices tallying a weekly gain of almost 32%. Prices extended their Thursday rally on growing expectations that major oil producers will reach an agreement to significantly cut production levels as efforts to slow the spread of COVID-19 continues to hurt energy demand. May WTI rose \$3.02, or 11.9%, to settle at \$28.34 a barrel. Prices for the front-month contract climbed about 31.8% for the week, according to FactSet data. June Brent climbed \$4.17, or 13.9%, to \$34.11 a barrel after a 21% gain on Thursday. It saw a weekly gain of 22%. May RBOB tacked on 4.4% at 69.16 cents a gallon, with prices for the front-month contract ending nearing 13% higher for the week. May heating oil added 7.6% to \$1.0706 a gallon, for a weekly rise of 0.2%.

Technical Analysis: WTI continued to hammer out a bottom above the \$20 level after U.S. President Donald Trump asked for Saudi Arabia and Russia to come to a deal that would cut supplies. It is still too early to tell if these efforts will be enough to stem the bleeding, as demand destruction continues. Both way, there remains a gap to the upside between \$35.19 and \$41.29 that technical players have their eyes on, and if this market can gain enough momentum we could see and attempt at filling or partially filling this gap. Support is set at \$24.48, the 10-day moving average and below that at \$23.70. Resistance is set at \$30.00 and above that at \$33.60.

Fundamental News: US President, Donald Trump, will meet with oil company executives at the White House on Friday to discuss the oil price crash threatening their companies, brought on by the coronavirus outbreak and a Saudi-Russia price war. The administration may offer ways to help the industry weather the crisis, including waiving royalty payments drillers must pay for oil produced on federal lands, or imposing an import tariff on foreign crude oil. He said Saudi Arabia and Russia had agreed to cut output by an unprecedented 10 million to 15 million barrels per day (bpd), representing 10% to 15% of global supply, after he discussed the issue with their leaders. The countries did not confirm the plan, but said they were willing to discuss ways to stabilize the market with other major world oil producers. President Trump said in a press conference that he made no concessions to Saudi Arabia or Russia and did not agree to a U.S. production cut. A U.S. official said that the slide in prices had already forced drillers to reduce production. Separately, the Wall Street Journal reported that President Trump has discussed shutting oil production in the Gulf of Mexico.

An OPEC source said OPEC and allies are working on a deal for an unprecedented production cut equivalent to about 10% of global supply. A meeting of OPEC and allies such as Russia has been scheduled for Monday, April 6th, according to Azerbaijan's Energy Ministry. An OPEC source said any cut in excess of 10 million bpd must include producers from outside OPEC+ but excludes oil nations such as the US, Canada, Norway and Brazil. A second source added that OPEC+ was watching the outcome of a meeting between President Donald Trump and oil companies later on Friday and that a final figure on cuts depends on participation by all oil producers.

The Wall Street Journal reported that Russia is unlikely to agree to cuts if the US does not join. It also reported that the OPEC+ alliance is set to debate at least a 6 million bpd cut.

Kuwait Petroleum Corp's Chief Executive said Kuwait will increase its oil output in April until it reaches about 3.15 million bpd.

Baker Hughes reported that US energy companies reduced the number of active oil rigs for a third consecutive week in their largest weekly cut in five years. Drillers cut 62 oil rigs in the week ending April 3rd, the biggest weekly fall since March 2015, bringing the total count down to 562, the lowest since March 2017.

Early Market Call - as of 8:40 AM EDT

WTI - May \$27.30, down \$1.04

RBOB - May \$6.796, down 1.2 cents

HO - May \$1.0656, down 50 points

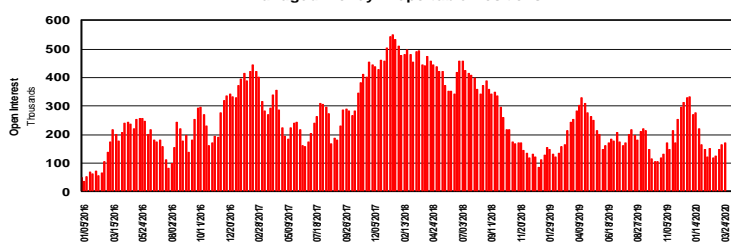
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-20	1.0706	0.0755	-0.0021
Jun-20	1.0946	0.0742	-0.0123
Jul-20	1.1272	0.0725	-0.0247
Aug-20	1.1625	0.0676	-0.0340
Sep-20	1.1962	0.0621	-0.0402
Oct-20	1.2210	0.0567	-0.0411
Nov-20	1.2368	0.0525	-0.0377
Dec-20	1.2474	0.0490	-0.0343
Jan-21	1.2581	0.0460	-0.0319
Feb-21	1.2669	0.0434	-0.0301
Mar-21	1.2758	0.0412	-0.0295
Apr-21	1.2833	0.0388	-0.0294
May-21	1.2921	0.0361	-0.0259
Jun-21	1.3015	0.0344	-0.0226
Jul-21	1.3168	0.0327	-0.0201
Aug-21	1.3299	0.0309	-0.0181
Sep-21	1.3395	0.0294	-0.0162

Sprague Heat Weighted Strip October -April 20/2021 \$1.2577

Other Front Month NYMEX	Close	Change
Crude - WTI	\$30.9000	\$2.8500
Crude - Brent	\$34.1100	\$4.1700
Natural Gas	\$1.6210	\$0.0690
Gasoline	\$0.6916	\$0.0288

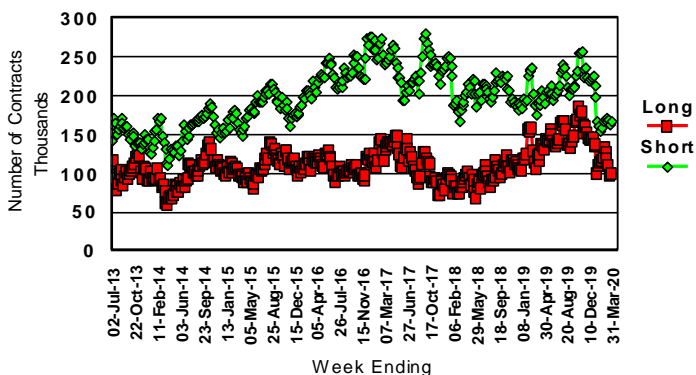
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending March 31, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

