

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures fell from session highs alongside a strengthening dollar while the biggest U.S. gasoline supply increase in two months offset a drop in crude inventories. WTI fell as much as 2% after the EIA reported a more than 4 million barrel build in U.S. gasoline stockpiles amid a rise in imports. Meanwhile, U.S. crude oil stocks fell 3.5 million, the second weekly drop, putting total U.S. stocks at a five-week low. May WTI added 44 cents, or 0.7%, to settle at \$59.77, with June Brent tacking on 42 cents, or 0.7%, to settle at \$63.16 a barrel. May RBOB closed down 0.7%, to settle at \$1.95 a gallon, while May heating oil rose 0.8%, to settle at \$1.81 a gallon.

Technical Analysis: WTI continues to trade in a sideways pattern as it remains within the bearish flag formation. Based upon a daily spot continuation chart, WTI is showing signs of weakness. May, the current front month contract, is also trending within a fresh downward channel, having tested the top of this channel on four separate occasions, only to retreat. It is also holding below the 10 and 50-day moving averages, currently set at \$60.10 and 60.43, respectively. While the slow stochastics have not yet crossed to the downside, they are teasing to do so. At the same time, between February and March the RSI has been trending lower, while the market was trading higher, showing signs of divergence. Should we get a break below \$58.60, we would look for a run at \$57.25. Above the moving averages, additional resistance is seen at \$61.03 and above that at \$62.27.

Fundamental News: Royal Dutch Shell said it expected its first-quarter adjusted earnings to see a hit of up to \$200 million due to an extreme cold snap in Texas in the quarter. Shell said it saw refined oil product sales at between 3.7 and 4.7 million bpd for the first quarter.

Canada Statistics reported that the country's total crude oil exports in February increased by 170,000 bpd to 3.87 million bpd, with exports to the U.S. increasing by 130,000 bpd to 3.75 million bpd. Canada's oil imports in February increased by 6,000 bpd to 563,000 bpd, with imports from the U.S. falling by 37,000 bpd to 403,000 bpd.

Talks between the U.N. atomic watchdog and Iran aimed at obtaining answers from Tehran on unexplained uranium traces have been delayed. In the past two years, IAEA inspectors have found traces of processed uranium at three sites Iran never declared to it, suggesting that Tehran had nuclear material connected to old activities that remains unaccounted for. In a bid to break the impasse, and avert an escalation between Tehran and the West, the IAEA has said it would hold talks with Iran as of the start of April with the aim of making progress by early June. Those talks are taking place in parallel with negotiations in Vienna aimed at rescuing the nuclear deal.

Fitch sees Brent crude averaging \$58/barrel in 2021 and \$53/barrel in 2022-2024. It estimates that oil demand will return close to pre-COVID-19 levels by the end of the year. The current global oil demand is 5-7% below pre-pandemic levels.

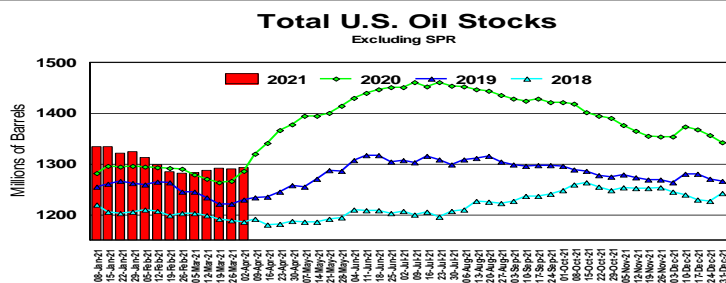
The U.S. Treasury Department said the Biden administration released a tax plan that would replace tax breaks for fossil fuel companies with incentives for production of clean energy. The proposal is part of wider plan on taxes that includes boosting the corporate income tax rate from 21% to 28% to help pay for Biden's more than \$2 trillion infrastructure package. A Treasury Department office estimated that eliminating the subsidies for fossil fuel companies would increase government tax receipts by more than \$35 billion in the coming decade.

Early Market Call - as of 8:00 AM EDT

WTI - May \$59.59, down 18 cents
 RBOB - May \$1.9615, up 97 points
 HO - May \$1.8044, down 35 points

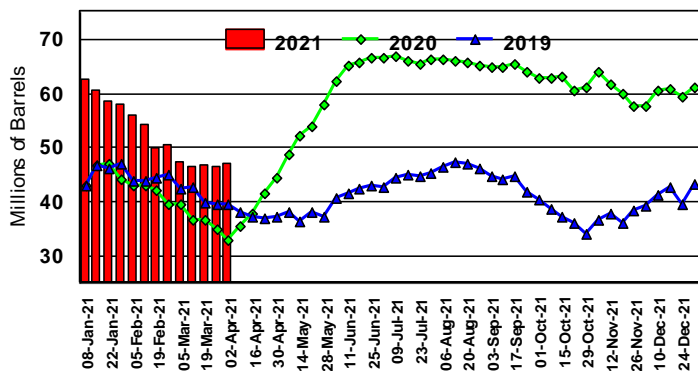
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8079	0.0138	-0.0165
Jun-21	1.8093	0.0133	-0.0149
Jul-21	1.8114	0.0130	-0.0135
Aug-21	1.8140	0.0128	-0.0129
Sep-21	1.8181	0.0129	-0.0136
Oct-21	1.8221	0.0129	-0.0146
Nov-21	1.8256	0.0128	-0.0155
Dec-21	1.8276	0.0127	-0.0168
Jan-22	1.8307	0.0127	-0.0178
Feb-22	1.8313	0.0127	-0.0186
Mar-22	1.8273	0.0125	-0.0195
Apr-22	1.8183	0.0124	-0.0211
May-22	1.8141	0.0123	-0.0229
Jun-22	1.8119	0.0117	-0.0243
Jul-22	1.8154	0.0116	-0.0251
Aug-22	1.8186	0.0116	-0.0261
Sep-22	1.8222	0.0116	-0.0273

Sprague HeatCurve October 2021-April 2022		\$1.8274
	Close	Change
Crude - WTI	\$59.8100	\$0.4400
Crude - Brent	\$63.1600	\$0.4200
Natural Gas	\$2.5200	\$0.0640
Gasoline	\$1.9518	-\$0.0145



Weekly EIA Petroleum Status Report for the Week Ending April 2, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.522 million barrels
 Cushing, OK Crude Stocks Down 735,000 barrels
Gasoline Stocks Up 4.044 million barrels
Distillate Stocks Up 1.452 million barrels
Refinery % Operated 84%, Up 0.1%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 2, 2021	Week Ending Mar 26, 2021	Week Ending Apr 3, 2020
New England	9.2	9.3	6.2
Central Atlantic	23.9	23.3	16.2
Total PADD #1	47.0	46.5	35.5
Distillate Imports (thousands b/d)	280	421	154