

Market Commentary

Recap: Oil prices plunged on Wednesday, with U.S. crude futures hitting an 18-year low, as governments worldwide accelerated lockdowns to counter the coronavirus pandemic and as the price war between Saudi Arabia and Russia wreak havoc on global fuel demand. April WTI fell \$6.58, or more than 24%, to settle at \$20.37 a barrel, the lowest front-month settlement since February of 2002. Adjusted for inflation, front-month NYMEX WTI oil trades around its lowest levels since March 1999, according to Dow Jones Market Data. May Brent dropped \$3.85, or over 13%, at \$24.88, with prices ending at their lowest since May 8, 2003. April RBOB fell 10.3% to 63.77 cents a gallon, with prices for the front-month contract marking another record low settlement, based on data going back to 2005, according to Dow Jones Market Data. April heating oil lost 7.9% to 95.42 cents a gallon. That was the lowest settlement since January 2016.

Technical Analysis: Oil prices remain in a free-fall, having declined 37.6% on the week, and 49.8% so far during the month of March. We would look for continued pressure, and for a break below \$20. Below this level, additional support is set at \$19.50 and below that at \$18.85. To the upside resistance is set at \$24.00 and above that at \$27.06.

Fundamental News: The EIA reported that the US was a net exporter of crude and refined products for 5 consecutive weeks as of the week ending March 13th, the longest streak on record. It reported that US crude stocks increased by 1.95 million barrels to 453.7 million barrels, the highest since July 2019. US gasoline stocks fell by 6.18 million barrels on the week, the largest decline since April 2019.

The American Petroleum Institute oil and gas industry group said that it does not see a significant threat to the US energy supply chain from the coronavirus pandemic. Oil and gas companies are implementing contingency plans focused on ensuring continuity of supplies to market, and preventing the spread of the virus to workers and the public.

Goldman Sachs cut its price forecast for second quarter Brent crude oil by a third to \$20/barrel, predicting global demand would fall by a record 1.1 million bpd this year as the coronavirus impacts economic growth. The demand hit from the virus could peak in late March, at 8 million bpd. It forecast a supply surplus of 3.9 million bpd and 5.7 million bpd in the first and second quarters, respectively.

Bank of America Global Research said an oil supply increase from OPEC and other producers could overwhelm global storage as the coronavirus cuts demand, pushing prices below \$20/barrel. It said about 4 million bpd of new OPEC+ supply could arrive in the next two months and added that global demand could fall by over 500,000 bpd in the first half of 2020, with the situation likely spilling over into the second half if the virus outbreak is not contained.

Royal Dutch Shell has booked a supertanker to store 2 million barrels of oil at sea.

Saudi Arabia's Energy Ministry said it has directed Saudi Aramco to continue to supply crude oil at a record level of 12.3 million bpd over the coming months. It has stated that it would increase its crude supply to 12.3 million bpd in April and its oil exports are set to top 10 million bpd starting in May.

The Joint Organization Data Initiative said Saudi Arabia pumped 9.748 million bpd in January, up from 9.594 million bpd in November. Its crude oil exports in January fell by 7.29 million bpd from 7.37 million bpd in December.

IIR Energy reported that US oil refiners are expected to have about 1.1 million bpd of capacity offline in the week ending March 20th, increasing available refining capacity by 4,000 bpd from the previous week.

Early Market Call - as of 8:35 AM EDT

WTI - Apr \$22.18, up \$1.80

RBOB - Apr \$.6350, down 32 points

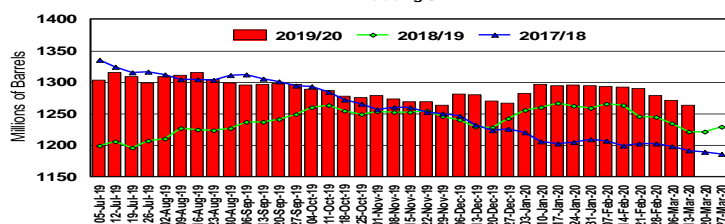
HO - Apr \$.9665, up 1.27 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-20	0.9542	-0.0815	0.2838
May-20	0.9627	-0.0771	0.2790
Jun-20	0.9809	-0.0720	0.2685
Jul-20	1.0072	-0.0690	0.2571
Aug-20	1.0327	-0.0673	0.2487
Sep-20	1.0585	-0.0660	0.2430
Oct-20	1.0818	-0.0652	0.2395
Nov-20	1.1021	-0.0648	0.2380
Dec-20	1.1191	-0.0655	0.2383
Jan-21	1.1352	-0.0667	0.2384
Feb-21	1.1481	-0.0677	0.2383
Mar-21	1.1589	-0.0684	0.2373
Apr-21	1.1663	-0.0683	0.2351
May-21	1.1797	-0.0675	0.2326
Jun-21	1.1943	-0.0667	0.2301
Jul-21	1.2132	-0.0663	0.2281
Aug-21	1.2300	-0.0662	0.2277

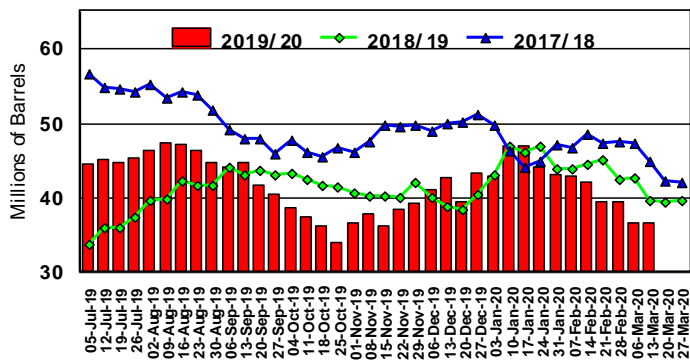
Sprague Heat Weighted Strip October -April 20/2021		\$1.1336	
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.05	\$20.8300	-\$6.5000
Crude - Brent		\$24.8800	-\$3.8500
Natural Gas		\$1.6040	-\$0.1250
Gasoline		\$0.6377	-\$0.0737

Total U.S. Oil Stocks
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending March 6, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 1.954 million barrels

Cushing, OK Crude Stocks Up 563,000 barrels

Gasoline Stocks Down 6.18 million barrels

Distillate Stocks Down 2.94 million barrels

Refinery % Operated 86.4%, unchanged

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 13, 2020	Week Ending Mar 6, 2020	Week Ending March 14, 2019
New England	6.6	6.7	6.0
Central Atlantic	17.4	18.0	22.4
Total PADD #1	36.5	36.6	39.7
Distillate Imports (thousands b/d)	230	300	84