

## Market Commentary

**Recap:** Oil prices were mixed on Thursday, with Brent retreating from four month highs, while WTI posted a fresh four month high. May Brent crude hit a 2019 peak of \$68.14 per barrel before falling to \$67.15 a barrel by 1:34 p.m. EST (1617 GMT), down 40 cents from Wednesday's close. WTI climbed 38 cents to \$58.64 a barrel during the same time period. While Brent remained on the downside, WTI held on to gains. May Brent fell 32 cents, or 0.47 percent, to settle at \$67.23 a barrel. April WTI settled at \$58.61 a barrel, up 35 cents, or 0.60 percent. WTI continued to gather its strength from Wednesday's EIA report, which showed a drop in U.S. crude production, which fell 100,000 barrels to 1.2 million, while net imports remained subdued. OPEC and its partner's adherence to production cuts, along with U.S. sanctions against Venezuela have also contributed to market strength. April RBOB fell 0.4% to \$1.850 a gallon, after a settlement Wednesday at its highest since October. April heating oil lost 0.4% to \$1.985 a gallon.

**Technical Analysis:** April WTI ascended deeper into the upward channel as seen on a daily spot continuation chart. At this time, moving oscillators are calling for higher prices, and therefore, we would look for a move toward the November high of \$58.90. Above this level, additional resistance is set at \$59.50. Support is set at \$57.50 and \$56.57.

**Fundamental News:** In a monthly report, OPEC cut its forecast of global demand for its crude this year as non-OPEC producers increase their production. OPEC said 2019 demand for its crude will average 30.46 million bpd, 130,000 bpd less than forecast last month and below what it is currently producing. It raised its 2019 non-OPEC supply growth forecast by 60,000 bpd to 2.24 million bpd. OPEC said its oil output fell by 221,000 bpd on the month to 30.55 million bpd in February. That amounts to 105% compliance with pledged cuts. It also reported that OECD oil inventories in January increased by 22.1 million barrels and stood 19.1 million barrels above the 5-year average.

Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, March 12<sup>th</sup> increased by 362,524 barrels on the week and by 361,588 barrels from Friday, March 8<sup>th</sup> to 49,650,027 barrels.

According to shipping fixture lists and S&P Global Platts trade flow software, cFlow, gasoline deliveries to Canada and the US from Northwest Europe in March are expected to total 659,000 metric tons, surpassing the total deliveries for February. Six ships over the past seven days were each carrying 37,000 metric tons of gasoline into the US or Canada. Four ships are set to deliver into the East Coast, one is headed for the Gulf Coast and one is set for discharge in Canada.

Iraq's Oil Minister, Thamer Ghadban, said the country has cut its oil exports average to 3.5 million bpd in compliance with an ongoing production cut agreement between OPEC and non-OPEC producers. He said the OPEC meeting in April will assess member states' compliance with agreed production cuts and whether to extend the cuts until the end of the year. Iraq exports an average of 3.6 million bpd in January-February, and 3.7 million bpd in December.

Two sources stated that the US aims to cut Iran's crude exports by about 20% to below 1 million bpd from May, likely reining in waivers for Iran's remaining customers.

The US Environmental Protection Agency granted five of the seven outstanding small refinery hardship waivers requested for the 2017 compliance year under the Renewable Fuel Standard, bringing the year's total approvals to 37. The agency also received two more petitions for the hardship waivers for compliance year 2018, bringing the total number of applications filed to 39.

**Early Market Call - as of 9:10 AM EDT**

WTI - Apr \$57.80, down 84 cents  
 RBOB - Apr \$1.8228, down 2.67 cents  
 HO - Apr \$1.9488, down 3.58 cents

## All NYMEX | Prior Settlements

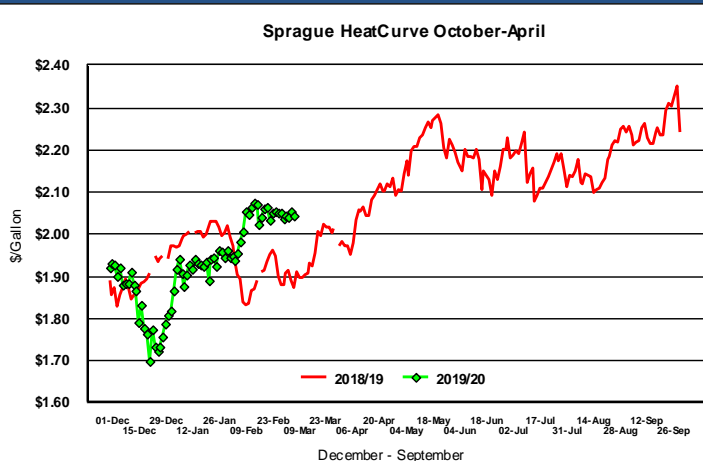
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9849	-\$0.0072	-\$0.0278
May-19	\$1.9874	-\$0.0070	-\$0.0208
Jun-19	\$1.9910	-\$0.0083	-\$0.0147
Jul-19	\$1.9983	-\$0.0087	-\$0.0113
Aug-19	\$2.0067	-\$0.0087	-\$0.0098
Sep-19	\$2.0169	-\$0.0088	-\$0.0094
Oct-19	\$2.0262	-\$0.0090	-\$0.0085
Nov-19	\$2.0342	-\$0.0092	-\$0.0079
Dec-19	\$2.0414	-\$0.0099	-\$0.0076
Jan-20	\$2.0481	-\$0.0105	-\$0.0070
Feb-20	\$2.0496	-\$0.0108	-\$0.0061
Mar-20	\$2.0463	-\$0.0109	-\$0.0055
Apr-20	\$2.0350	-\$0.0108	-\$0.0044
May-20	\$2.0262	-\$0.0109	-\$0.0036
Jun-20	\$2.0211	-\$0.0109	-\$0.0029
Jul-20	\$2.0206	-\$0.0110	-\$0.0031
Aug-20	\$2.0206	-\$0.0110	-\$0.0031

Sprague HeatCurve Oct 2019-Apr 2020		\$2.0426	
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$58.9100	\$0.3200
Crude - Brent	WTI Spread	\$67.2300	-\$0.3200
Natural Gas	\$8.32	\$2.8550	\$0.0350
Gasoline		\$1.8495	-\$0.0073

### EIA Working Gas Storage Report

	08-Mar-19	01-Mar-19	Change	Year Ago
East	262	311	-49	320
Midwest	287	338	-51	354
Mountain	66	73	-7	94
Pacific	102	112	-10	170
South Central	469	557	-88	607
Salt	129	180	-51	186
Nonsalt	340	377	-37	420
Total	1,186	1,390	-204	1,545

## Sprague HeatCurve October-April



## ICE May Brent-WTI Spread

