

Market Commentary

Recap: Oil prices headed lower on Wednesday after the EIA reported a surprise build in U.S. crude oil inventories. May WTI fell \$1.24, as it slowly slipped to a session low of \$58.81 a barrel after the report showed a 2.8 million barrel build in crude oil stockpiles. Analysts were expecting a 1.2 million barrel decrease. Brent for May delivery fell \$1.11, hitting a low of \$67.19 a barrel. Disruptions to Venezuela's crude oil exports worked to push prices off the lows of the day, but it wasn't enough for prices to recapture the unchanged level. By 12:29 EST, May WTI was trading at \$59.52, before settling into a 25 cent trading range for the remainder of the session. This spot contract settled at \$59.41 a barrel, down 53 cents or 0.88 percent. Worth mentioning is, despite hints of a recession and the bearish inventory report, WTI held up quite well, indicating underlying strength. May Brent worked its way back above \$68.00 but could not sustain itself finishing the session at \$67.88 a barrel, down 14 cents, or 0.21 percent. April RBOB settled at \$1.896 a gallon, down 3.1%, while April heating oil shed 0.5% to \$1.981 a gallon. The April contracts expire Friday.

Technical Analysis: WTI continues to encounter heavy resistance at the \$60.00 level as it hovers around the 10-day moving average while bouncing in and out of the ascending channel. Moving oscillators are set high in over bought territory and are skewed to the downside. We would expect continued sideways moving, with a slight bias to the upside. Support is set at the 10-day moving average currently set at \$58.99 with additional support set at \$57.00. Resistance is set at \$62.40 and above that at \$65.00.

Fundamental News: About 171,000 tons of gasoline was booked on Tuesday alone to go from Europe to the US. A further 74,000 tons was booked to go from Europe to West Africa.

Reuters reported that Iraq's southern oil exports resumed on Wednesday after being interrupted on Tuesday due to bad weather conditions.

Magellan Midstream Partners on Tuesday said it was stepping back from its proposed 600,000 b/d pipeline project with several partners, the Permian Gulf Pipeline. The company said simply that "there were conditions that needed to be met in order to proceed that weren't satisfied".

The Minnesota Public Utilities Commission confirmed its approval of Enbridge's Line 3 crude oil pipeline replacement, allowing the \$7 billion project that will ship more barrels out of western Canada to move forward. The pipeline runs from Alberta to the US state of Wisconsin. Line 3, which began service in 1968, currently operates at half of its capacity. Its replacement would allow it to return to approved capacity of 760,000 bpd.

Venezuelan opposition leader, Juan Guaido, called on supporters to take to the streets this weekend in protest of a major nationwide blackout that left millions without power for three days. Power went out in most of the country on Monday afternoon, less than two weeks after electricity was restored following the worst blackout in Venezuela's history. Power had returned to around half of the country's 24 states on Tuesday night but went out again at dawn on Wednesday. Venezuela's opposition leader said the protest was scheduled for Saturday. Meanwhile, Venezuela's four heavy crude upgraders remained shut on Wednesday due to the blackout. Workers were expected to restart the upgraders later on Wednesday.

IIR Energy reported that US oil refiners are expected to shut in 1.79 million bpd of capacity in the week ending March 29th, cutting available refining capacity by 83,000 bpd from the previous week. IIR expects offline capacity to fall to 1.14 million bpd in the week ending April 5th.

The US Coast Guard said 103 ships were waiting to enter the Houston Ship Channel.

Early Market Call - as of 8:15 AM EDT

WTI - May \$58.60, down 82 cents

RBOB - Apr \$1.8529, down 4.21 cents

HO - Apr \$1.9548, down 2.51 cents

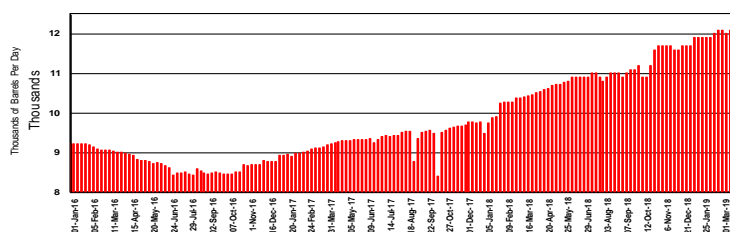
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9806	-\$0.0093	-\$0.0275
May-19	\$1.9814	-\$0.0097	-\$0.0289
Jun-19	\$1.9849	-\$0.0095	-\$0.0285
Jul-19	\$1.9898	-\$0.0097	-\$0.0296
Aug-19	\$1.9970	-\$0.0095	-\$0.0300
Sep-19	\$2.0069	-\$0.0092	-\$0.0299
Oct-19	\$2.0156	-\$0.0089	-\$0.0304
Nov-19	\$2.0235	-\$0.0089	-\$0.0305
Dec-19	\$2.0307	-\$0.0089	-\$0.0303
Jan-20	\$2.0373	-\$0.0087	-\$0.0300
Feb-20	\$2.0378	-\$0.0087	-\$0.0301
Mar-20	\$2.0333	-\$0.0085	-\$0.0301
Apr-20	\$2.0218	-\$0.0085	-\$0.0296
May-20	\$2.0130	-\$0.0086	-\$0.0294
Jun-20	\$2.0081	-\$0.0084	-\$0.0290
Jul-20	\$2.0073	-\$0.0084	-\$0.0283
Aug-20	\$2.0069	-\$0.0085	-\$0.0285

Sprague HeatCurve Oct 2019-Apr 2020 \$2.0311

Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$59.4100	-\$0.5300
Crude - Brent	WTI Spread	\$67.8800	-\$0.1400
Natural Gas	\$8.47	\$2.7130	-\$0.0270
Gasoline		\$1.8955	-\$0.0602

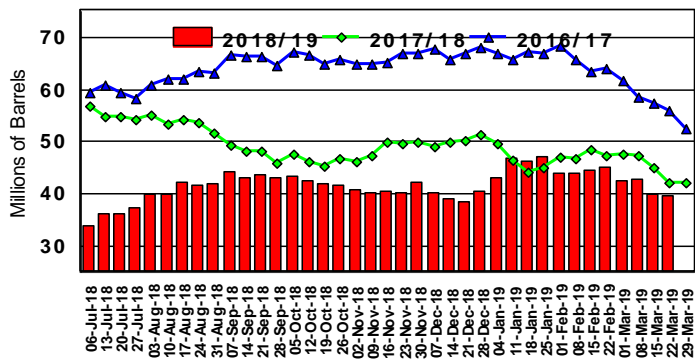
U.S. Domestic Crude Production



Weekly EIA Petroleum Status Report for the Week Ending March 22, 2019

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 2.8 million barrels

Cushing, OK Crude Stocks Up 541,000 barrels

Gasoline Stocks Down 2.883 million barrels

Distillate Stocks Down 2.075 million barrels

Refinery % Operated 86.6%, Down 2.3%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 22, 2019	Week Ending Mar 15, 2019	Week Ending Mar 23, 2018
New England	6.6	6.0	6.0
Central Atlantic	21.9	22.4	25.3
Total PADD #1	39.4	39.7	42.2
Distillate Imports (thousands b/d)	162	84	137