

Market Commentary

Recap: Oil prices edged higher on Monday, supported by signs of inventory declines at Cushing and the prospect that the OPEC led production cuts will be extended. The Joint Ministerial Monitoring Committee of oil producers on Monday reported a sizeable improvement in compliance with production cuts and as a result recommended that OPEC cancel its meeting set for April. WTI posted, yet again, a fresh four month high, to trade at \$59.23 a barrel, up 71 cents, or 1.2 percent, while Brent for May delivery rose as much as 48 cents or .08 percent, to a high of \$67.69 a barrel. Both WTI and Brent pared gains, with April WTI settling at \$69.09 a barrel, up 57 cents, or 0.97 percent, while May Brent tacked on 38 cents, or 0.6 percent, to settle at \$67.54 a barrel. RBOB, spurred higher by weekend outages at Exxon Mobil's Baytown refinery and Intercontinental Terminals Co.'s Deer Park facility, hit its highest level in four months. April RBOB rose to a high of \$1.8969 before trimming gains to settle at \$1.883 a gallon, up 1.4%. April heating oil rose less than 0.1% to \$1.969 a gallon.

Technical Analysis: April WTI continues to trend higher within the ascending channel as seen on a daily spot continuation chart, as it works its way toward \$60.00. Although moving oscillators have moved into overbought territory, they are showing no signs of crossing. At this time, we would look for attempts for WTI to test the \$60.00 level, where we would re-evaluate this market. Resistance is set at \$59.73 and above that at \$60. Support is set at \$58.75 and \$58.30.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, March 15th fell by 1,084,520 barrels on the week and by 1,446,107 barrels from Tuesday, March 12th to 48,203,919 barrels.

Saudi Arabia's Energy Minister, Khalid Al-Falih, said he was confident that OPEC and its non-OPEC partners will reach full conformity with cuts, and even exceed it, in weeks to come. He said inventory levels and oil investments are the main factors guiding the group's action. He said OPEC and its non-OPEC partners need to reconsider if there is a need for a meeting in April, adding that there was no pressure from the US to increase its supply. He said April would be too early for any decision on output policy. He said the oil industry estimates show that \$11 trillion in investments will be needed over the coming two decades to meet demand growth.

An OPEC source said a panel of OPEC and non-OPEC ministers has recommended that the oil producer allies cancel their planned policy meeting in April. The next meeting will be held on June 25-26. The Joint Ministerial Monitoring Committee panel will include Iraq, UAE, Nigeria and Kazakhstan as new members.

Venezuela's Oil Minister, Manuel Quevedo, said the country will decide where to ship its crude. He said that the country may divert oil initially bound for the US to Russia or other countries. He said the main goal is to strengthen ties with Russia. He blames the US for the blackout in Venezuela. He also stated that the generator at the Jose oil terminal is working following the blackout.

Saudi Arabia's crude oil exports in January fell to 7.254 million bpd from 7.687 million bpd in December. Saudi Arabia pumped 10.243 million bpd, down by 400,000 bpd on the month. Saudi crude stocks fell by 4.542 million barrels to 200.834 million barrels in January. Saudi Arabia's demand for oil products increased by 340,000 bpd to 2.073 million bpd in January. Its oil product exports fell by 497,000 bpd to 1.616 million bpd.

IIR Energy reported that US oil refiners are expected to shut in 1.37 million bpd of capacity in the week ending March 22nd, cutting the available refining capacity by 162,000 bpd from the previous week. The offline capacity is expected to increase to 1.38 million bpd in the week ending March 29th.

Early Market Call - as of 8:48 AM EDT

WTI - Apr \$59.38 up 29 cents

RBOB - Apr \$1.8888 up 60 points

HO - Apr \$1.9914 up 2.24 cents

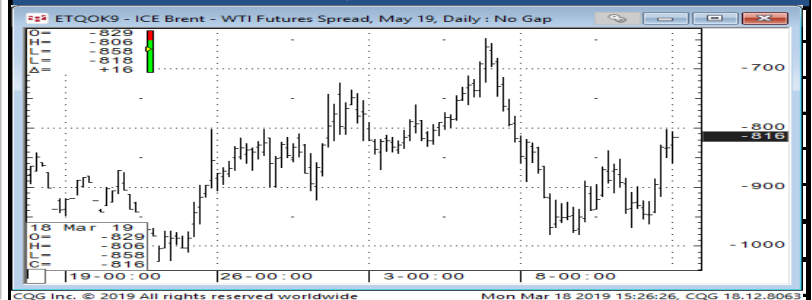
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9690	\$0.0013	-\$0.0252
May-19	\$1.9725	\$0.0015	-\$0.0191
Jun-19	\$1.9769	\$0.0017	-\$0.0151
Jul-19	\$1.9847	\$0.0015	-\$0.0128
Aug-19	\$1.9940	\$0.0016	-\$0.0106
Sep-19	\$2.0051	\$0.0018	-\$0.0097
Oct-19	\$2.0149	\$0.0018	-\$0.0094
Nov-19	\$2.0235	\$0.0020	-\$0.0092
Dec-19	\$2.0310	\$0.0020	-\$0.0093
Jan-20	\$2.0382	\$0.0020	-\$0.0090
Feb-20	\$2.0400	\$0.0019	-\$0.0084
Mar-20	\$2.0368	\$0.0017	-\$0.0080
Apr-20	\$2.0257	\$0.0016	-\$0.0070
May-20	\$2.0174	\$0.0014	-\$0.0061
Jun-20	\$2.0128	\$0.0013	-\$0.0055
Jul-20	\$2.0125	\$0.0011	-\$0.0055
Aug-20	\$2.0128	\$0.0011	-\$0.0053

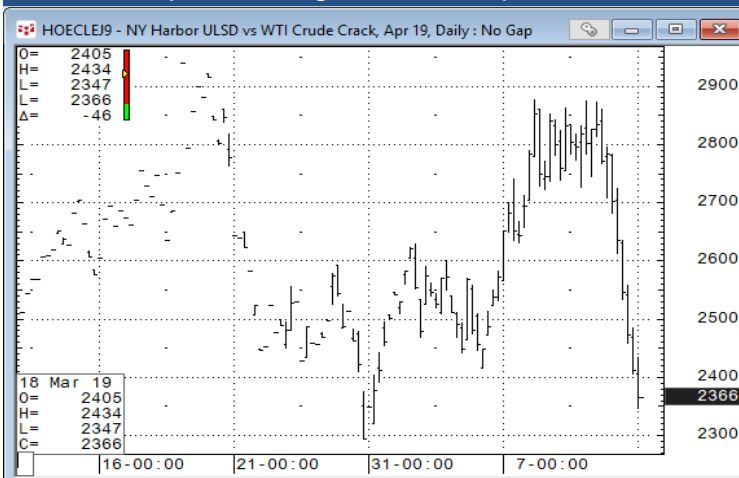
Sprague HeatCurve Oct 2019-Apr 2020 \$2.0326

Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$59.3800	\$0.5600
Crude - Brent	WTI Spread	\$67.5400	\$0.3800
Natural Gas	\$8.16	\$2.8500	\$0.0550
Gasoline		\$1.8828	\$0.0251

ICE May Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

