

## Market Commentary

**Recap:** Oil futures fell from early gains, as the rising number of COVID-19 cases in India continues to overshadow the huge decrease in U.S. crude oil inventories. Hopes that India's deadly second coronavirus wave was about to peak were swept away on Thursday as it posted record daily infections and deaths, with the virus spreading from cities to villages across the world's second-most populous nation. At the same time, easing restrictions in Europe and falling U.S. crude inventories provided price support. June WTI fell 92 cents, or 1.4%, to settle at \$64.71, while July Brent lost 87 cents, or 1.3%, to settle at \$68.09 a barrel.

RBOB snapped a three day streak of gains, with the June RBOB contract falling 3.76 cents, or 1.75%, to settle at \$2.1137 a gallon. This was the largest one day dollar and percentage decline since Monday April 5, 2021 and the fifth highest settlement this year. Year to date RBOB is up 70.53 cents, or 50.08%. The large drop in prices comes as the market focused on the fifth straight rise in gasoline inventories, which was taken as a sign of weak demand. June heating oil slipped almost 0.7%, to settle at \$1.99 a gallon.

**Technical Analysis:**

Traders remained reserved in taking on long positions, putting a pause on the up move. We have now gotten a settlement in WTI below \$65, a key psychological level. Right now, we are headed toward the 10- day moving average. A break below this average sets up for a test of the bottom line on the ascending triangle that can be depicted on a daily spot continuation chart. Should we break below this line, we would look for technical stops to be triggered with a possibility of test \$62.27. Resistance is set at \$66.74 and \$67.98.

**Fundamental News:** Commerzbank sees WTI prices averaging \$62/barrel in 2021 and \$67/barrel in 2022. It expects the price of Brent crude to end the year at \$70/barrel. It forecast the 2021 Brent price at \$65/barrel. It said oil demand continues to recover and the inventory overhang is almost eliminated and added that there are signs of a supply deficit in the second half of the year.

According to BloombergNEF, U.S. demand for jet fuel from passenger flights will increase by 20% on the month in June to over 1 million bpd. Demand for the next four weeks stands at over 850,000 bpd with domestic flights accounting for the majority of consumption.

Iran's Deputy Foreign Minister and lead negotiator in the nuclear talks, Abbas Araghchi, will meet with the Director General of the U.N.'s IAEA on Thursday night.

Washington geopolitical analysts expect the U.S. and Iran to announce a deal by the end of May that will allow for the lifting of sanctions on oil, petrochemical, shipping and other sectors as soon as the third quarter of the year.

The United Steelworkers union has requested that a federal mediator help resolve a lockout of about 650 workers at an Exxon Mobil Corp's 366,000 bpd Beaumont oil refinery. Both sides in a labor dispute must agree to mediation. On Saturday, Exxon barred USW Local 13-243 members from its Beaumont, Texas, refinery citing the union's refusal to call for a vote on a contract proposal.

**Early Market Call - as of 8:00 AM EDT**

WTI - June \$64.29 Down 42 cents  
 RBOB - June \$2.0978 Down 1.59 cents  
 HO - June \$1.9753 Down 1.43 cents

## All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	\$ 1.9895	\$(0.0130)	\$ 0.0270
Jul-21	\$ 1.9908	\$(0.0127)	\$ 0.0265
Aug-21	\$ 1.9926	\$(0.0126)	\$ 0.0261
Sep-21	\$ 1.9957	\$(0.0125)	\$ 0.0254
Oct-21	\$ 1.9980	\$(0.0121)	\$ 0.0247
Nov-21	\$ 1.9994	\$(0.0120)	\$ 0.0241
Dec-21	\$ 1.9991	\$(0.0122)	\$ 0.0239
Jan-22	\$ 1.9996	\$(0.0116)	\$ 0.0243
Feb-22	\$ 1.9964	\$(0.0108)	\$ 0.0245
Mar-22	\$ 1.9889	\$(0.0101)	\$ 0.0246
Apr-22	\$ 1.9769	\$(0.0096)	\$ 0.0244
May-22	\$ 1.9701	\$(0.0090)	\$ 0.0238
Jun-22	\$ 1.9654	\$(0.0087)	\$ 0.0235
Jul-22	\$ 1.9646	\$(0.0083)	\$ 0.0225
Aug-22	\$ 1.9640	\$(0.0079)	\$ 0.0217
Sep-22	\$ 1.9643	\$(0.0075)	\$ 0.0220
Oct-22	\$ 1.9650	\$(0.0070)	\$ 0.0200

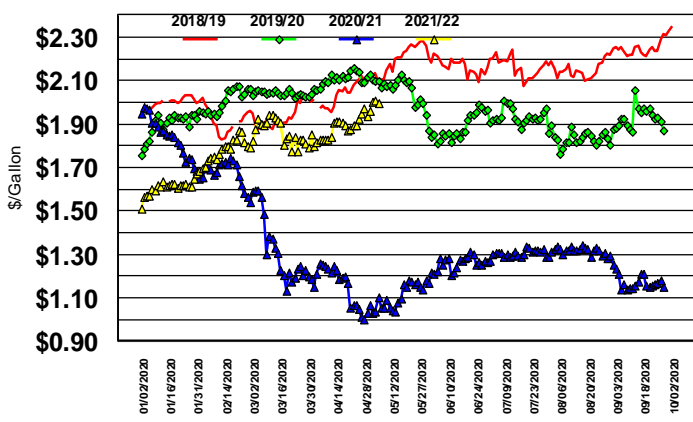
Sprague HeatCurve October 2021-April 2022			\$1.9951
		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.29	\$64.7100	-\$0.9200
Crude - Brent		\$68.0000	-\$0.8700
Natural Gas		\$2.9280	-\$0.0100
Gasoline		\$2.1137	-\$0.0376

## EIA Working Gas Storage Report

	30-Apr-21	23-Apr-21	Change	30-Apr-2020
East	332	319	13	421
Midwest	442	427	15	527
Mountain	124	119	5	110
Pacific	224	217	7	227
South Central	836	816	20	1,020
Salt	264	258	6	329
Nonsalt	572	558	14	691
Total	1,958	1,898	60	2,303

## Sprague Heat Curve Winter 2021/22

### Sprague HeatCurve October-April



## NYMEX December Heating Oil



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