

## Market Commentary

**Recap:** Oil prices rose above unchanged early in the session, supported by geopolitical strife, OPEC lead production cuts and robust demand. June WTI rose to a high of \$69.83 a barrel, while June Brent rose to \$75.47 a barrel, its highest level since November 2014. After a brief sell-off, a second attempt at new highs was made, but failed, as prices succumbed to pressure provided by a falling stock market. Prices broke below unchanged and found it difficult to make a comeback, as the pressure from the stock market proved too much. Trading was volatile throughout the session. June WTI lost 94 cents, or 1.4%, to settle at \$67.70 a barrel, while Brent for June delivery fell 85 cents, or 1.1%, to settle at \$73.86 a barrel.

May RBOB fell 1.4% to \$2.095 a gallon, while May heating oil slipped 0.6% to \$2.127 a gallon.

**Fundamental News:** Iran's President, Hassan Rouhani, warned US President, Donald Trump, to remain in the nuclear deal Tehran signed with world powers in 2015, or face "severe consequences." Iran has said it will ramp up its nuclear program if the deal collapses. Meanwhile, the secretary of Iran's Supreme National Security Council, Ali Shamkhani, said Iran may withdraw from the nuclear non-proliferation treaty if US President Donald Trump scraps the nuclear deal. In response, President Donald Trump warned Iran not to follow through with threats to restart its nuclear program. He stated that "if they restart their nuclear program, they will have bigger problems than they have ever had before."

A senior Russian diplomat said Russia and China are asking UN member states to support a draft statement expressing "unwavering support" for the Iran nuclear agreement, in a bid to put pressure on US President Donald Trump not to withdraw from it. The draft text asks states to confirm their unwavering support for the comprehensive and effective implementation of the agreement and to recognize its significant contribution to international security. The Russian Foreign Ministry's Director General for Non-Proliferation and Arms Control, Vladimir Yermakov, told a UN non-proliferation conference in Geneva that the Iran deal, known as the JCPOA, was fragile and any attempts to amend it would affect the global non-proliferation regime. He also expected North Korea to give its backing, and said the fate of the Iran deal was a key factor in upcoming talks on North Korea's nuclear programs. French President, Emmanuel Macron, who was on a state visit to Washington on Tuesday, is expected to try to avert an abrupt US pull out from the treaty, and has stated that there is no plan B.

Bloomberg reported that crude oil stocks held in Cushing, Oklahoma fell by 150,000 barrels to 33.76 million barrels in the week ending April 20<sup>th</sup>.

Genscape reported that inventories in Louisiana fell by 5.64 million barrels in the five-week period ending April 13<sup>th</sup>. Stockpiles in Padd 3 fell by 10.64 million barrels over the same period. Draws in Louisiana were, in part, driven by increased waterborne loadings, which averaged 244,000 bpd over the five-week period, up more than 86,000 bpd from the previous 2018 average.

Bloomberg tanker tracking showed that Iran has released half the 4 million barrels of crude that it put into floating storage in February and March, with ship-to-ship transfers off Kharg Island.

According to US customs data compiled by Bloomberg, preliminary US waterborne crude imports fell by 85,400 bpd to 4.65 million bpd in the week ending April 20<sup>th</sup>. Imports into the East and West Coasts fell by 124,000 and 517,800 bpd, respectively. Shipments into the Gulf increased by 556,400 bpd to 3.05 million bpd.

**Early Market Call - as of 9:15 AM EDT**

WTI - June \$67.64, down 5 cents  
 RBOB - May \$2.0905, down 44 points  
 HO - May \$2.1264, down 8 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.1276	-\$0.0133	\$0.0705
Jun-18	\$2.1183	-\$0.0141	\$0.0656
Jul-18	\$2.1134	-\$0.0150	\$0.0627
Aug-18	\$2.1098	-\$0.0163	\$0.0598
Sep-18	\$2.1098	-\$0.0170	\$0.0580
Oct-18	\$2.1109	-\$0.0174	\$0.0587
Nov-18	\$2.1115	-\$0.0173	\$0.0598
Dec-18	\$2.1088	-\$0.0175	\$0.0594
Jan-19	\$2.1071	-\$0.0174	\$0.0590
Feb-19	\$2.1013	-\$0.0172	\$0.0585
Mar-19	\$2.0892	-\$0.0171	\$0.0588
Apr-19	\$2.0712	-\$0.0170	\$0.0586
May-19	\$2.0599	-\$0.0161	\$0.0605
Jun-19	\$2.0508	-\$0.0153	\$0.0614
Jul-19	\$2.0472	-\$0.0154	\$0.0601
Aug-19	\$2.0473	-\$0.0150	\$0.0599
Sep-19	\$2.0505	-\$0.0149	\$0.0593

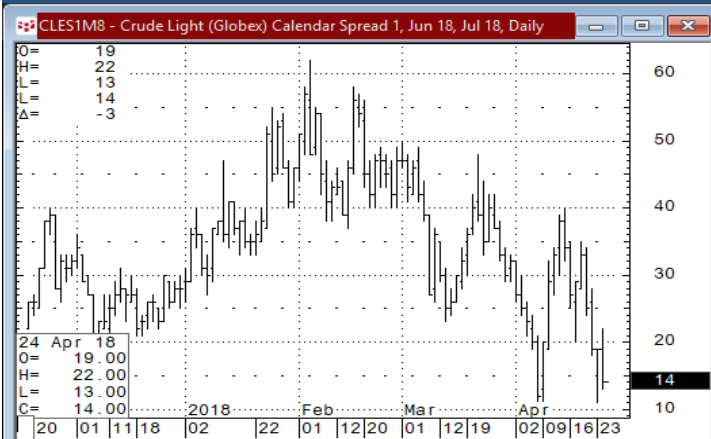
### Sprague HeatCurve Oct 2018-April 2019 \$2.1012

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$67.7000	-\$0.9400
Crude - Brent	WTI Spread		
Natural Gas	\$6.16	\$2.7810	\$0.0410
Gasoline		\$2.0949	-\$0.0288

### API Report for the Week Ending April 20, 2018

	Actual	Mkt Expectations
Crude Oil Stocks(excluding SPR)	Up 1.1 million barrels	Down 1.1/2.6 million barrels
Cushing, OK Crude Stocks	Down 930,000 barrels	Down 150,000 barrels
Gasoline Stocks	Down 2.7 million barrels	Down 500,000 barrels
Distillate Stocks	Down 1.9 million barrels	Unchanged
Refinery Runs	Down 82,000 bpd	Down 0.2%, at 92.2%

## NYMEX June-July WTI Spread



## NYMEX May-June Heating Oil Spread

