

Market Commentary

Recap: Oil futures jumped in early trading due to a disruption in Libyan exports and expectations that U.S. crude oil inventories fell last week. However, strength in the U.S. dollar and the rising number of coronavirus cases in Asia limited gains and pushed prices to their lowest level in five sessions. Tuesday marked the one-year anniversary of a negative price close for the front-month WTI contract. On April 20, 2020, the soon-to-expire May WTI dropped 306%, or \$55.90, to settle at negative \$37.63. Today, the expiring May WTI contract settled at \$62.44 a barrel, down 94 cents, or 1.48%, the June contract, the new front-month fell 76 cents, or 1.2%, to settle at \$62.67 a barrel. June Brent settled at \$66.57 a barrel, down 48 cents, or 0.72%. Petroleum products also fell, with May RBOB down .0271, to settle at \$2.0174 a gallon, while May heating oil lost .0124, to settle at \$1.8801 a gallon.

Market Outlook: June WTI crashed through \$62.27, the top of a previous period of consolidation and came down to test both the 10 and 50-day moving averages. A lack of follow through of both of these averages ignited a round of technical buying which took this now spot month contract back above \$62.27. Tuesday's bounce off of the lows signals buyers are in this market. That being said, we would look for prices to try and work higher, expecting to see quite a bit of volatility, but we would also expect this market to struggle to the upside. Resistance remains at \$65 and above that at \$66.40. A trade above \$66.87, should reverse the main trend and this market will head higher. Support is seen at \$62.27 and \$61.24.

Fundamental News: Two OPEC+ sources stated that OPEC+ achieved a compliance level with its agreed oil production cuts of 113% in March, unchanged from levels in February.

The EIA forecast U.S. crude oil production in the U.S. Federal Gulf of Mexico will increase in the next two years. By the end of 2022, 13 new projects could account for about 12% of total GOM crude production or about 200,000 bpd. The GOM accounts for 15%-16% of U.S. crude oil production. In 2020, GOM crude production averaged 1.65 million bpd and it is expected to reach 1.71 million bpd in 2021 and 1.75 million bpd in 2022.

The Norwegian Petroleum Directorate reported that Norway's oil and gas production slightly lagged official expectations in March. Norway's Crude oil output in March fell by 1.1% from February to 1.773 million bpd in March, while the NPD's forecast for the month had stood at 1.785 million bpd. Its oil output was 3.8% higher than in March of 2020. Including natural gas liquids (NGL) and condensate, Norway's overall oil liquids production amounted to 2.09 million bpd in March. Norway's output of natural gas in March totaled 9.81 bcm, below the NPD's forecast of 9.88 bcm and down from 10.72 bcm a year earlier.

Libya's oil production has fallen below 1 million bpd for the first time in months. Libya's National Oil Corp declared force majeure on Monday on exports from the port of Hariga and said it could extend the measure to other facilities due to a budget dispute with the country's central bank. Arabian Gulf Oil Co (AGOCO), the NOC subsidiary which runs Hariga, said on Sunday it had suspended output because it had not received its budget since September. Its Hariga port manager and an oil engineer said production had been reduced. It cut production by 280,000 bpd or about 90% of its normal output.

The European Union, which is chairing negotiations in Vienna, said talks between Iran and world powers, as well as indirectly with the United States, will continue next week. Meanwhile, U.S. State Department spokesman, Ned Price, said talks between Iran and world powers in Vienna have been positive, but added that a long road remains ahead.

Iran's President, Hassan Rouhani said negotiations on how to revive the 2015 nuclear deal were 60% to 70% complete and could be resolved quickly if the U.S. acts with "honesty". **Early Market Call - as of 8:05 AM EDT**

WTI - May \$61.65, down \$1.03
 RBOB - May \$1.9874, down 3 cents
 HO - May \$1.8546, down 2.55 cents

All NYMEX | Prior Settlements

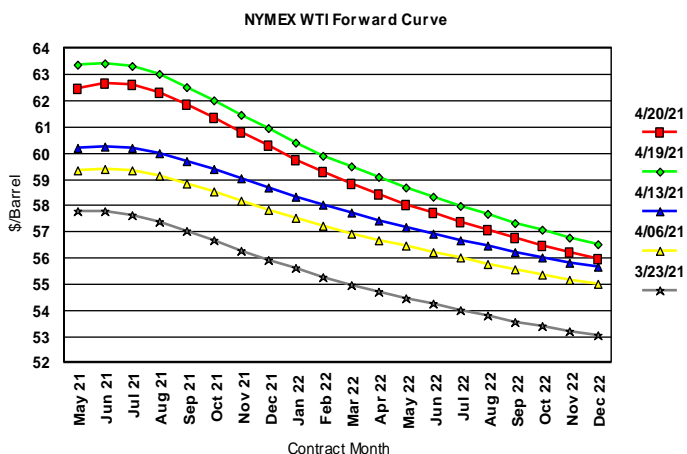
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	\$1.8801	-\$0.0124	-\$0.0656
Jun-21	\$1.8820	-\$0.0127	-\$0.0649
Jul-21	\$1.8850	-\$0.0126	-\$0.0647
Aug-21	\$1.8884	-\$0.0122	-\$0.0642
Sep-21	\$1.8926	-\$0.0118	-\$0.0635
Oct-21	\$1.8963	-\$0.0116	-\$0.0630
Nov-21	\$1.8990	-\$0.0115	-\$0.0624
Dec-21	\$1.8993	-\$0.0114	-\$0.0614
Jan-22	\$1.9000	-\$0.0112	-\$0.0593
Feb-22	\$1.8974	-\$0.0112	-\$0.0570
Mar-22	\$1.8904	-\$0.0112	-\$0.0546
Apr-22	\$1.8785	-\$0.0111	-\$0.0520
May-22	\$1.8717	-\$0.0110	-\$0.0497
Jun-22	\$1.8669	-\$0.0109	-\$0.0471
Jul-22	\$1.8683	-\$0.0108	-\$0.0453
Aug-22	\$1.8697	-\$0.0107	-\$0.0439
Sep-22	\$1.8717	-\$0.0105	-\$0.0426

Sprague HeatCurve October 2021-April 2022		\$1.8956
	Close	Change
Crude - WTI	\$62.6700	-\$0.7600
Crude - Brent	\$66.5700	-\$0.4800
Natural Gas	\$2.7270	-\$0.0220
Gasoline	\$2.0174	-\$0.0271

API Report for the Week Ending April 16, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 436,000 barrels	Down 4.4 million barrels
Cushing, OK Crude Stocks	Down 1.3 million barrels	
Gasoline Stocks	Down 1.6 million barrels	Up 800,000 barrels
Distillate Stocks	Up 655,000 barrels	Down 1.3 million barrels
Refinery Runs		Up 0.8%
Crude Imports		

WTI Forward Curve



8-14 Day Weather Forecast

