

Market Commentary

Recap: Oil prices rebounded on Friday after falling by more than 2 percent on Thursday. Prices gathered strength from strong economic data out of the U.S. and production losses out of Iran and Venezuela. After dipping lower in overnight trading, June WTI recovered, rising 1.1 percent, to trade at a session high of \$62.52 by 11:32 am ET. July Brent traded at a high of \$71.54 by 12:05 pm ET. It was a choppy trading week, mixed with uncertainty, as traders grapple with U.S. sanctions against Iran and Venezuela, healthy U.S. production and production cutbacks from OPEC and other major producers. All-in-all, prices finished lower for the second straight week. June WTI tacked on 13 cents, or 0.21 percent, to settle at \$61.94 a barrel, for a weekly loss of 2.1 percent. July Brent settled at \$70.58 a barrel, up 10 cents, or 0.14 percent, for a weekly loss of 1 percent. June RBOB settled at \$2.0265 a gallon, up .0082, for a weekly loss of 0.9 percent, while June heating oil fell .0076, to settle at \$2.0702 a gallon, a weekly gain of .8 percent.

Technical Analysis: WTI finished the week within the parameters of the ascending channel depicted on a daily spot continuation chart, while holding above the 50 and 200-day moving averages. Coming into next week, we would look for a test back at the channel bottom, with settlements below the channel followed by a run at \$60.00. Support is set at the channel bottom of \$61.61 and below that at \$60.78. Resistance is set at \$64.75 and above that at the psychological level of \$65.00.

Fundamental News: US energy firms increased the number of oil rigs operating for the first time in three weeks. Baker Hughes reported that companies added two oil rigs in the week ending May 3rd, bringing the total count to 807.

Saudi Arabia's oil production may increase in June, sources familiar with the country's policy said. However, the extra crude may be used for domestic power generation rather than providing an increase to exports that the US has been seeking. The sources said any increase in Saudi oil output would still be within its output quota in a supply agreement between OPEC and its non-OPEC allies. Saudi Arabia's oil production in May is expected to be around 10 million bpd, slightly higher than April but still below its quota of 10.3 million bpd.

Russian oil producers have received a request from Transneft to reduce oil output by 900,000 tons until May 7th amid severe export disruptions due to the crude contamination. According to Reuters, the amount would be equal to about 10% of Russia's overall oil output and represent more than 1 million bpd in the next few days.

According to Refinitiv Eikon, Venezuela's PDVSA exported 1.06 million bpd of crude and refined products last month, an 8% increase on the month as the sanctioned company managed to increase shipments to China. Venezuela's overall exports fell 40% in the first month after sanctions, but they have remained steady since mostly due to shipments to Chinese and Indian buyers. However that is expected to change in May, as the period for US firms to end ongoing deals with PDVSA expired on April 28th.

Iranian oil exports are expected to decline in May, deepening global supply losses caused by US sanctions on Venezuela and non-OPEC led cuts. An Iranian official familiar with oil policy said exports could fall to 700,000 bpd and as low as 500,000 bpd from May onwards.

IIR Energy reported that US oil refiners are expected to shut in about 1.06 million bpd of capacity in the week ending May 3rd, increasing the available refining capacity by 153,000 bpd from the previous week. The offline capacity is expected to fall to about 1.05 million bpd in the week ending May 10th.

Early Market Call - as of 8:15 AM EDT

WTI - June \$61.44, down 50 cents

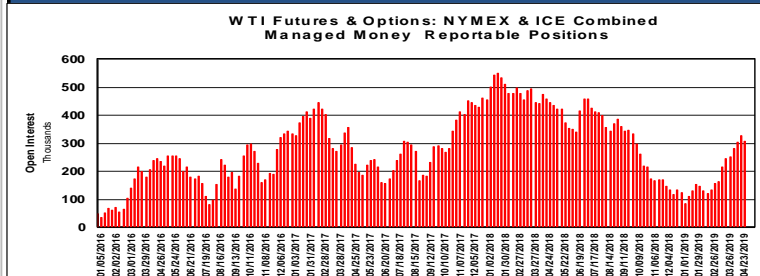
RBOB - June \$2.0101, down 1.6 cents

HO - June \$2.0616, down 83 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-19	\$2.0702	-\$0.0076	\$0.0180
Jul-19	\$2.0717	-\$0.0071	\$0.0146
Aug-19	\$2.0753	-\$0.0069	\$0.0113
Sep-19	\$2.0829	-\$0.0068	\$0.0084
Oct-19	\$2.0908	-\$0.0066	\$0.0063
Nov-19	\$2.0975	-\$0.0064	\$0.0055
Dec-19	\$2.1020	-\$0.0064	\$0.0050
Jan-20	\$2.1037	-\$0.0071	\$0.0033
Feb-20	\$2.0981	-\$0.0078	\$0.0010
Mar-20	\$2.0866	-\$0.0087	-\$0.0015
Apr-20	\$2.0696	-\$0.0096	-\$0.0033
May-20	\$2.0574	-\$0.0098	-\$0.0043
Jun-20	\$2.0485	-\$0.0100	-\$0.0054
Jul-20	\$2.0429	-\$0.0101	-\$0.0063
Aug-20	\$2.0382	-\$0.0101	-\$0.0072
Sep-20	\$2.0345	-\$0.0101	-\$0.0083
Oct-20	\$2.0324	-\$0.0099	-\$0.0089

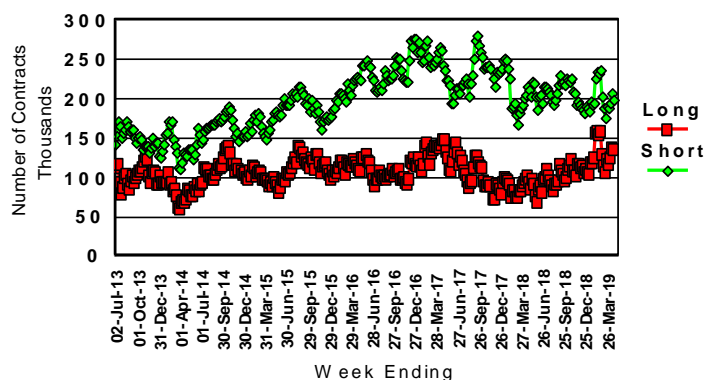
Sprague HeatCurve Oct 2019-Apr 2020		\$2.0951
Other Front Month NYMEX		Close
		Change
Crude - WTI	July Brent- WTI Spread	\$62.0400
Crude - Brent	WTI Spread	\$70.5800
Natural Gas	\$8.54	\$2.5670
Gasoline		\$0.1400
		\$0.1000
		-\$0.0220
		\$0.0082



Commitment of Traders Report for the Week Ending April 30, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

