

Market Commentary

Recap: Oil prices were bumped off of a six week high after Japanese import data and the increasing number of COVID-19 cases in India scared traders out of long positions. Oil prices gained on optimistic reports from major investment banks, but less optimistic overseas economic data paired with month end book squaring, tempered the market on Friday. June WTI fell \$1.43, or 2.2%, to settle at \$63.58 a barrel. Despite today's pullback, WTI crude ends with a 2.3% weekly gain, and a 7.5% monthly increase as investors more generally believe sporadic COVID-19 spikes, like the one in India, won't deter from an overall stronger rebound in oil demand during the coming months as international air travel resume and people take road trips for summer vacation. June Brent settled down \$1.31, or 1.91, at \$67.25 a barrel, a weekly gain of 1.7% and monthly gain of \$7.1%. July, the most actively traded contract, settled at \$66.64 a barrel, down \$1.41, or 2.1%. May RBOB fell 1.8% to \$2.06 a gallon, trading 5.2% higher on the month, while May heating oil lost 2.3%, to \$1.92 a gallon, up about 8.3% on the month.

Technical Analysis: Back in mid-April the U.S. dollar began to slide and has continued to do so. Pressure in the dollar causes commodity inflation, which is evident in the way crude oil prices have been trending. Based upon a daily bar chart for the June21 WTI contract, we can see a head and shoulders pattern that has formed, with the June WTI dipping back down toward the neckline, holding above and then bouncing off of it. At the same time, this spot contract has broken above the upper line of a symmetrical triangle that has formed. On Friday, we saw the dollar rebound, which put pressure on oil prices. This pressure pushed June WTI back below the aforementioned trend line, so we will have to see next week if this break below it holds. If the break is false, we should see oil resume its up trend, but would keep an eye on the dollar as well. Support is set at \$62.81 and \$62.03, the current 50-day average. Resistance is seen at \$66.40 and above that at \$67.20.

Fundamental News: According to a Reuters survey, OPEC's oil output has increased in April as higher supply from Iran countered involuntary cuts and agreed reductions by other members under the OPEC+. The 13-member Organization of the Petroleum Exporting Countries produced 25.17 million bpd in April, up 100,000 bpd from March. Output has increased every month since June 2020 with the exception of February. OPEC's compliance with OPEC+ output cut pledges fell to 123% in April from 124% in March. OPEC's output increase was led by Iran, while Venezuela and Libya posted the largest declines.

JBC reported that OPEC's oil output in April increased by 65,000 bpd to 25.3 million bpd.

Canada's oil sands region in northern Alberta has become a COVID-19 hotspot, disrupting essential annual maintenance work at its oil sands plants. The oil-rich province of Alberta is battling the highest rate of COVID-19 in Canada as the country grapples with a third wave of the pandemic. Twelve oil sands plants including Canadian Natural Resources Ltd's Horizon and the Suncor Energy-owned Syncrude project are tackling outbreaks while in the middle of annual maintenance projects that require flying in extra workers from as far away as Atlantic Canada.

The EIA's Petroleum Supply Monthly report showed that U.S. crude oil production in February fell by 1.197 million bpd to 9.862 million bpd. Oil production in North Dakota fell by 82,000 bpd on the month, while production in Texas fell by 836,000 bpd and offshore Gulf production fell by 20,000 bpd. U.S. crude oil exports fell to 2.703 million bpd in February from 3.165 million bpd in January, while total refined oil product exports fell to 2.314 million bpd in February. Total U.S. oil demand in February fell by 12.1% or 2.395 million bpd to 17.44 million bpd.

Early Market Call - as of 8:45 AM EDT

WTI - June \$64.36, down 12 cents

RBOB - June \$2.0650, down 1.13 cents

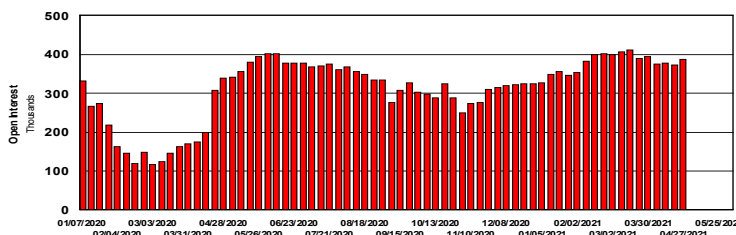
HO - June \$1.9189, down 35 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.9211	-0.0403	-0.0476
Jun-21	1.9224	-0.0401	-0.0467
Jul-21	1.9244	-0.0399	-0.0461
Aug-21	1.9265	-0.0400	-0.0448
Sep-21	1.9304	-0.0399	-0.0440
Oct-21	1.9334	-0.0399	-0.0433
Nov-21	1.9355	-0.0398	-0.0426
Dec-21	1.9359	-0.0393	-0.0423
Jan-22	1.9367	-0.0386	-0.0418
Feb-22	1.9337	-0.0382	-0.0408
Mar-22	1.9264	-0.0379	-0.0399
Apr-22	1.9149	-0.0376	-0.0395
May-22	1.9090	-0.0373	-0.0393
Jun-22	1.9052	-0.0367	-0.0394
Jul-22	1.9055	-0.0366	-0.0384
Aug-22	1.9059	-0.0364	-0.0372
Sep-22	1.9070	-0.0365	-0.0359

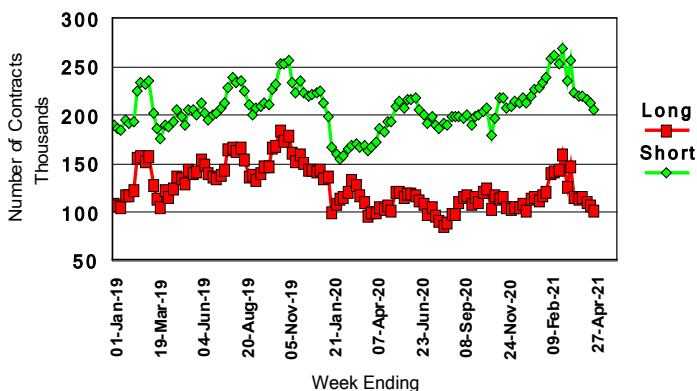
Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	June Brent-WTI Spread \$3.67	\$63.5800	-\$1.4300
Crude - Brent		\$67.2500	-\$1.3100
Natural Gas		\$2.9310	\$0.0200
Gasoline		\$2.0698	-\$0.0301

WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending April 27, 2021

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report

