

Market Commentary

Recap: Oil futures rose on Friday, posting weekly gains, as the Colonial Pipeline reopened after being shut down for days in response to a ransomware attack. It is estimated that the outage resulted in a 7.5 million barrel shortfall in East Coast gasoline and a 6 million barrel shortfall for distillate, totaling 13.5 million barrels. Since the outage took place during a weekly EIA reporting period, next week's inventory numbers will provide a clearer picture of the damage done to stockpiles. June WTI settled at \$65.37 a barrel, up \$1.55, or 2.4%, for a weekly gain of 0.7%. Brent for July delivery added \$1.66, or 2.5%, to close the week at \$68.71 a barrel, up 0.6%. June RBOB rose 1.5%, to \$2.13 a gallon, down less than half a cent on the week. June heating oil added 1.8%, to settle at \$2.04 a gallon, up 1.3% on the week.

Technical Analysis: After pulling back toward the bottom of the ascending channel, WTI rebounded as bottom pickers were lurking down below. Over the course of the past two months, this channel has played out quite nicely for those looking for in and out profits, while the 10-day moving average acted as a pivotal area and now sits just above \$65. With Friday's settlement above \$65, we would look for technical traders to try and take this market back up toward the top of the channel. Above \$65, resistance is set at \$65.75 and \$66.75. Support remains at \$62.27 and below that at \$61.

Fundamental News: Colonial Pipeline increased its deliveries to markets on the East Coast on Friday following a nearly week-long outage caused by hackers. A spokeswoman for the American Automobile Association said "relief is coming". Colonial Pipeline announced late Thursday it had restarted its entire pipeline system linking refineries on the Gulf Coast to markets along the eastern seaboard. President Joe Biden also reassured U.S. motorists that fuel supplies should start returning to normal by this weekend, even as more than half the filling stations in several states remained shut following a flurry of hoarding by panicky drivers.

The Department of Homeland Security has approved another temporary targeted Jones Act waiver for a second company as part of an ongoing effort to ease tight fuel supplies along the eastern United States. Citgo received the second Jones Act waiver granted by the U.S. government. The effort is part of the Biden administration's steps to increase fuel supplies following the Colonial Pipeline shut down that led to gasoline shortages in some parts of the U.S. East Coast. Meanwhile, White House Press Secretary, Jen Psaki, said the vast majority of energy markets in parts of the eastern United States affected by the Colonial Pipeline outage will receive fuel through the weekend and into next week.

The U.S. capital was running out of gasoline on Friday even as the top U.S. fuel pipeline ramped up deliveries. Tracking firm GasBuddy said gas station outages in Washington, D.C., increased to 87%, from 79% the day before. Some states experienced modest improvements in gas outages but still saw a high amount. About 70% of gas stations in North Carolina were without fuel, while around 50% of stations in Virginia, South Carolina and Georgia had outages.

IIR Energy reported that U.S. oil refiners are expected to shut in 924,000 bpd of capacity in the week ending May 14th, cutting available refining capacity by 149,000 bpd from the previous week. Offline capacity is expected to fall to 614,000 bpd in the week ending May 21st and to 538,000 bpd the week after.

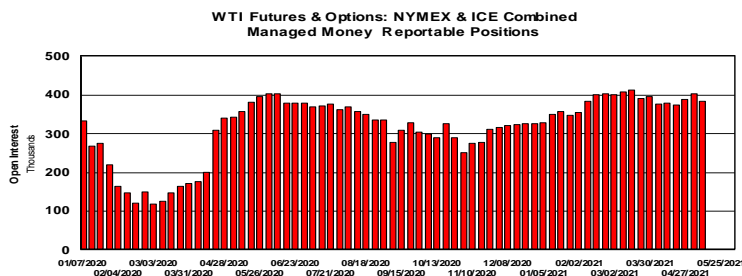
Early Market Call - as of 8:30 AM EDT

WTI - June \$64.89, down 49 cents
 RBOB - June \$2.1172, down 94 points
 HO - June \$2.0317, down 45 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	2.0362	0.0353	0.0256
Jul-21	2.0345	0.0355	0.0227
Aug-21	2.0351	0.0353	0.0221
Sep-21	2.0371	0.0349	0.0210
Oct-21	2.0381	0.0342	0.0197
Nov-21	2.0385	0.0335	0.0186
Dec-21	2.0372	0.0329	0.0176
Jan-22	2.0362	0.0317	0.0162
Feb-22	2.0321	0.0309	0.0154
Mar-22	2.0232	0.0300	0.0142
Apr-22	2.0101	0.0293	0.0131
May-22	2.0022	0.0286	0.0117
Jun-22	1.9963	0.0279	0.0107
Jul-22	1.9953	0.0272	0.0103
Aug-22	1.9946	0.0262	0.0102
Sep-22	1.9949	0.0254	0.0105
Oct-22	1.9958	0.0247	0.0104

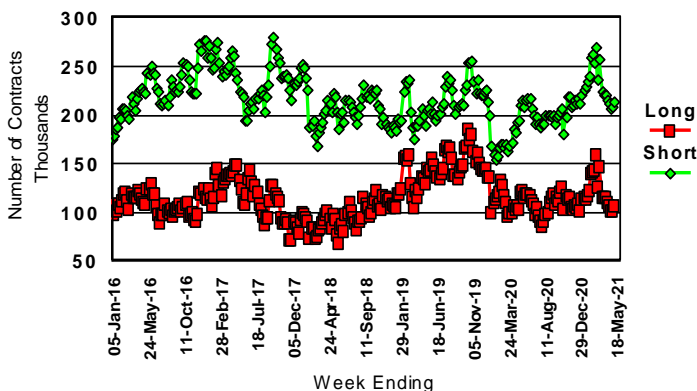
Sprague HeatCurve October 2021-April 2022		\$2.0317
	Close	Change
Crude - WTI	\$65.3600	\$1.5200
Crude - Brent	\$68.7100	\$1.6600
Natural Gas	\$2.9610	-\$0.0120
Gasoline	\$2.1266	\$0.0313



Commitment of Traders Report for the Week Ending May 11, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

