

Market Commentary

Recap: Oil prices, which had recovered from an overnight drop, suffered a second setback after the EIA reported a 5.5 million barrel build in U.S. crude oil inventories. Following the release of the report, June WTI fell 0.96 percent to a session low of \$65.66 a barrel, while June Brent lost 0.7 percent, falling to a low of \$74.02 a barrel. Losses were limited by the 2.13 million barrel drop in gasoline inventories; fear of tightening supplies due to OPEC led production cuts and U.S. sanctions against Iran and Venezuela. By 1:05 pm, EST, June WTI was trading at \$65.85 a barrel, down 45 cents, while June Brent was trading at \$74.43 a barrel, down 8 cents. June WTI finished the session at \$65.89 a barrel, down 41 cents, or 0.62 percent, while June Brent added 6 cents, or 0.08 percent, to settle at \$74.57 a barrel. May RBOB settled at \$2.1285 a gallon, down .0031, while May heating oil fell .0193, to settle at \$2.0987 a gallon.

Technical Analysis: WTI remains above key resistance at the \$65.00 level, despite the bearish inventory report. The main trend for this market is to the upside. Holds above \$65.35, the 62% retracement set by the December low of \$43.70 and the October high of \$78.74, will keep buyers in the market, with the potential of prices hitting \$67.50. Breaks below the \$65.35 area sets this market up for a run at support is set at \$65.35 and below that at \$64.55.

Fundamental News: The EIA reported that US crude oil stocks increased to the highest level in about a year and a half as imports increased. Crude inventories increased by 5.5 million barrels in the week ending April 19th to 460 million barrels. Net US crude imports increased by 877,000 bpd to 7.1 million bpd.

Saudi Arabia's Energy Minister, Khalid al-Falih, said he saw no need to increase oil production immediately after the US ends waivers granted to buyers of Iranian crude, but added that the country would respond to customers' needs if asked for more oil. He said the market is well supplied. He said he was guided by oil market fundamentals not prices, and that the country remained focused on balancing the global oil market. He stated that Saudi Arabia's oil production in May was pretty much set with very little variation from the last couple of months. He said June crude allocations would be decided early next month.

Iran's Supreme Leader, Ayatollah Ali Khamenei, said that the country can export as much oil as it needs, as the US prepares to end sanctions waivers it granted to some importers of Iranian crude.

Iraq's Oil Minister, Thamer Ghadhban, said that the country will focus on oil and gas exploration in the country's western desert over the next four years.

Royal Dutch Shell announced a significant deep water discovery at the Blacktip prospect in the Gulf of Mexico. It said evaluation of the discovery is ongoing and appraisal planning is underway to further delineate the discovery and define its development options.

Traders and Russian officials said that the quality of Russian oil flowing to northern and central Europe has deteriorated significantly in recent days. Oil flows via the Baltic port of Ust Luga and via the Druzhba pipeline to Belarus, Poland, Germany, Hungary and the Czech Republic have been contaminated with high levels of organic chloride since April 19th. Russia's Energy Ministry confirmed there were quality issues and said pipeline monopoly Transneft was trying to fix the problem as soon as possible.

IIR Energy reported that US oil refiners are expected to shut in 1.4 million bpd of capacity in the week ending April 26th, cutting available refining capacity by 281,000 bpd from the previous week. The offline capacity is expected to fall to about 885,000 bpd in the week ending May 3rd.

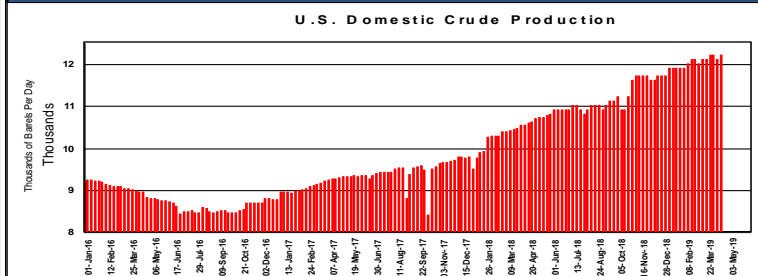
Early Market Call - as of 9:00 AM EDT

WTI - June \$65.99, up 10 cents
 RBOB - May \$2.1480, up 1.92 cents
 HO - May \$2.1084, up 1.01 cents

All NYMEX | Prior Settlements

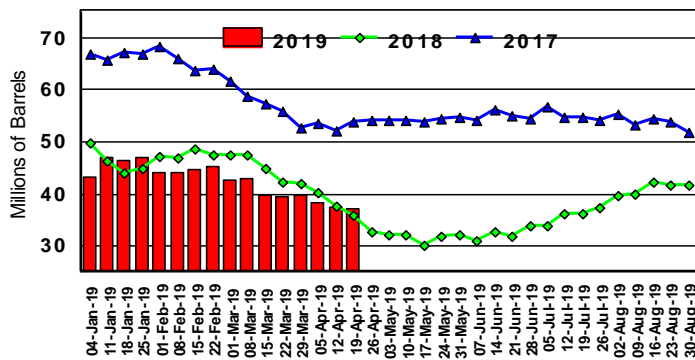
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$2.0987	-\$0.0193	\$0.0295
Jun-19	\$2.1008	-\$0.0194	\$0.0294
Jul-19	\$2.1071	-\$0.0190	\$0.0303
Aug-19	\$2.1144	-\$0.0185	\$0.0309
Sep-19	\$2.1249	-\$0.0178	\$0.0315
Oct-19	\$2.1349	-\$0.0172	\$0.0325
Nov-19	\$2.1425	-\$0.0168	\$0.0327
Dec-19	\$2.1476	-\$0.0165	\$0.0325
Jan-20	\$2.1509	-\$0.0160	\$0.0321
Feb-20	\$2.1471	-\$0.0155	\$0.0312
Mar-20	\$2.1375	-\$0.0152	\$0.0300
Apr-20	\$2.1212	-\$0.0150	\$0.0285
May-20	\$2.1086	-\$0.0148	\$0.0271
Jun-20	\$2.0994	-\$0.0144	\$0.0257
Jul-20	\$2.0936	-\$0.0139	\$0.0244
Aug-20	\$2.0888	-\$0.0135	\$0.0228
Sep-20	\$2.0857	-\$0.0133	\$0.0210

Sprague HeatCurve Oct 2019-Apr 2020		\$2.1428
Other Front Month NYMEX	Close	Change
Crude - WTI	June Brent- \$65.8900	-\$0.4100
Crude - Brent	WTI Spread \$74.5700	\$0.0600
Natural Gas	\$8.68 \$2.4620	\$0.0070
Gasoline	\$2.1285	-\$0.0031



Weekly EIA Petroleum Status Report for the Week Ending April 19, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 5.479 million barrels
 Cushing, OK Crude Stocks Up 463,000 barrels
Gasoline Stocks Down 2.129 million barrels
Distillate Stocks Down 662,000 barrels
Refinery % Operated 90.1%, Up 2.4%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 19, 2019	Week Ending Apr 12, 2019	Week Ending Apr 20, 2018
New England	5.8	6.0	5.2
Central Atlantic	20.0	20.3	19.2
Total PADD #1	36.9	37.2	35.9
Distillate Imports (thousands b/d)	235	122	70

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