

Market Commentary

Recap: Oil prices moved lower on Friday, reversing gains made on Thursday and Friday. After rising early in the session, prices reversed course as traders, prompted by strength in the dollar and weakness in equities, began to take profits. WTI continues to hover around its 10-day moving average set at \$67.85, while Brent remains above its 10-day moving average, currently set at \$73.60. Prices remain supported by the possibility of renewed sanctions against Iran, and political and economic strife in Venezuela, whose output has declined 40% in the past two years. Working to keep prices contained is increasing U.S. production. June WTI settled at \$68.10 a barrel, down 9 cents, or 0.1%, while Brent for June delivery slipped 10 cents, or 0.13%.

June RBOB rose 1.13 cents to settle at \$2.1279 a gallon, while May heating oil fell 0.73 cents to settle at \$2.1343 a gallon.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the week ending April 27th increased by 5 to 825.

US President, Donald Trump, said Iran will not acquire nuclear weapons but declined to comment on whether he may consider the use of force against it. During a joint news conference with German Chancellor, Angela Merkel, she stated that Iran's influence has to be curbed and contained. She said she will continue to be in very close talks with the US as President Trump nears a decision on the Iran nuclear agreement. Separately, new US Secretary of State, Mike Pompeo, said President Trump has not taken a decision on whether to pull out of the Iran nuclear deal but was not likely to keep it without substantial changes.

OPEC and non-OPEC ministers are scheduled to meet on June 23rd, a day after OPEC's ministerial meeting.

Russia's Energy Minister, Alexander Novak, said it is the oil markets that determine the price of a barrel, commenting on a recent tweet of US President Donald Trump. President Trump said on his Twitter account that oil prices were being inflated artificially by producers reducing output.

Traders were expecting diesel imports from the US into Europe in May to surpass April's levels of about 700,000 tons. So far about 1 million tons have been booked on the route. Imports from Asia in May were expected to be about 1.6 million tons, up from 1.5 million tons in April. Meanwhile, gasoline exports from Europe to the US East Coast increased over the week as buying ahead of the peak summer demand driving season increased.

Bank of America Merrill Lynch sees close to 1.5 million bpd of crude output facing some risk of disruption, primarily across Venezuela, Iran and Libya. The bank sees Brent crude prices surpassing \$80/barrel this quarter. It said if prices surpass \$80/barrel and President Donald Trump abandons the Iran nuclear deal, Saudi Arabia may intervene to temper prices.

IIR Energy reported that US oil refiners are estimated to have 1.303 million bpd of capacity offline in the week ending April 27th, reducing available refining capacity by 178,000 bpd from the previous week. IIR expects offline capacity to fall to 1.185 million bpd in the week ending May 4th and further to 1.082 million bpd in the week ending May 11th.

According to Bloomberg, global refinery outages reached 5.416 million bpd in the week ending Thursday, up from 5.301 million bpd in the previous week.

Early Market Call - as of 9:00 AM EDT

WTI - June \$67.39, down 71 points
 RBOB - May \$2.1022, down 2.54 cents
 HO - May \$2.1177, down 1.65 cents

All NYMEX | Prior Settlements

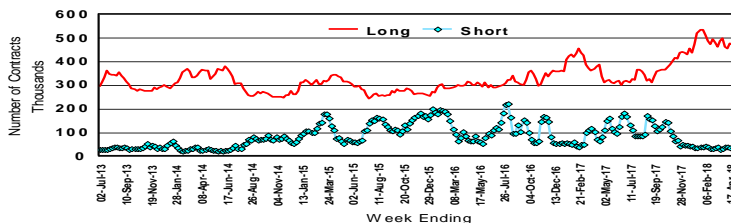
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.1509	-\$0.0091	\$0.0279
Jun-18	\$2.1343	-\$0.0073	\$0.0191
Jul-18	\$2.1269	-\$0.0061	\$0.0155
Aug-18	\$2.1231	-\$0.0053	\$0.0130
Sep-18	\$2.1238	-\$0.0042	\$0.0124
Oct-18	\$2.1243	-\$0.0040	\$0.0113
Nov-18	\$2.1237	-\$0.0041	\$0.0103
Dec-18	\$2.1210	-\$0.0042	\$0.0101
Jan-19	\$2.1190	-\$0.0041	\$0.0098
Feb-19	\$2.1121	-\$0.0040	\$0.0088
Mar-19	\$2.0989	-\$0.0037	\$0.0078
Apr-19	\$2.0797	-\$0.0037	\$0.0065
May-19	\$2.0674	-\$0.0039	\$0.0068
Jun-19	\$2.0580	-\$0.0036	\$0.0064
Jul-19	\$2.0546	-\$0.0035	\$0.0063
Aug-19	\$2.0554	-\$0.0032	\$0.0071
Sep-19	\$2.0597	-\$0.0027	\$0.0082

Sprague HeatCurve Oct 2018-April 2019 \$2.1124

Other Front Month NYMEX	Close	Change
Crude - WTI	\$68.1000	-\$0.0900
Crude - Brent	\$74.6400	-\$0.1000
Natural Gas	\$2.7710	-\$0.0680
Gasoline	\$2.1269	\$0.0146

Managed Money NYMEX WTI Positons

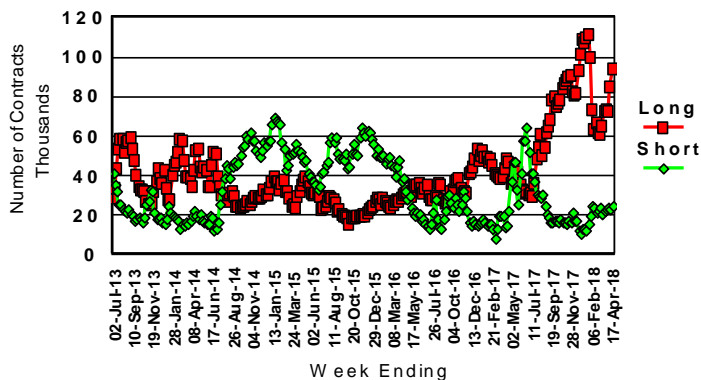
CFTC Commitment of Traders Report



Commitment of Traders Report for the Week Ending April 24, 2018

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

