

Market Commentary

Recap: Oil futures continue to struggle as renewed concerns about demand pushed prices from session highs, while a pullback in the U.S. dollar propelled prices from session lows. Oil futures fell 1% in overnight trading as traders grew increasingly concerned over lockdowns as Germany announced it plans to extend lockdown due to COVID19 into a fifth month. Oil prices rebounded from their largest weekly sell-off since October, as traders appear to have already factored in most of the COVID19 related demand. The expiring April WTI contract went off the board trading at \$61.55 a barrel, a loss of 13 cents, or 0.2%, while the May contract added 12 cents, or 0.2%, to settle at \$61.56 a barrel. Brent for May delivery ended up 9 cents, or 0.1%, to settle at \$64.62 a barrel. April RBOB tacked on 1.3%, to settle at \$1.97 a gallon, while April heating oil rose 0.7%, to \$1.84 a gallon.

Technical Analysis: WTI continues its fight to hold on to strength, while hovering above the 50-day moving average. Traders are most concerned about the possibility of limited demand in light of the coronavirus leading to extended and renewed lockdowns across Europe, rising cases in the U.S.; increasing U.S. supplies and fear of more supply from Iran. At this point, we believe prices will continue to struggle, with WTI attempting to retrace back toward the \$65 level, while a break below the 5-day moving average will entice sellers, with the possibility of this market trading back down at the \$55 level.

Fundamental News: Two OPEC+ sources stated that OPEC+ compliance with oil production cuts in February increased to 113%. The figure compares with a January compliance figure of 103%.

IIR Energy said U.S. oil refiners are expected to shut in 2.5 million bpd of capacity offline in the week ending March 26th, increasing available refining capacity by 739,000 bpd from the previous week.

Saudi Aramco's Chief Executive, Amin Nasser said the state-controlled energy company was optimistic about the oil market and bullish about the demand recovery. He said Aramco was in the detailed engineering phase to raise its maximum sustained capacity to 13 million bpd, up 1 million bpd. He said the company would raise capacity in increments over the next few years.

Saudi Arabia is seeking more help from the U.S. to defend its oil facilities, underscoring the country's concern about recent missile and drone strikes. According to a Saudi official, the requests were put to President Joe Biden's administration since January. Saudi Arabia is also asking other allies for support to thwart attacks on cities and towns. On Sunday, the Saudi navy began drills in the Persian Gulf to enhance freedom of navigation in the region's waters.

U.S. imports of European diesel increased to a three-month high in the week ending March 18th, while gasoline arrivals declined. Diesel inflows from Europe increased to 221,000 bpd on the week, the highest since the week ending December 17th. Six tankers arrived with a total of 1.55 million barrels in the U.S. East Coast or Padd 1. Weekly gasoline arrivals from Europe fell to 317,000 bpd, compared with 510,000 bpd in the previous week. Eight tankers discharged about 2.2 million barrels in the U.S. Atlantic Coast.

Descartes Labs said U.S. gasoline demand fell for the first time since late February, fell 0.3% in the week ending March 19th to 9.076 million bpd.

Early Market Call - as of 8:45 AM EDT

WTI - May \$59.28, down \$2.29

RBOB - Apr \$1.9086, down 5.12 cents

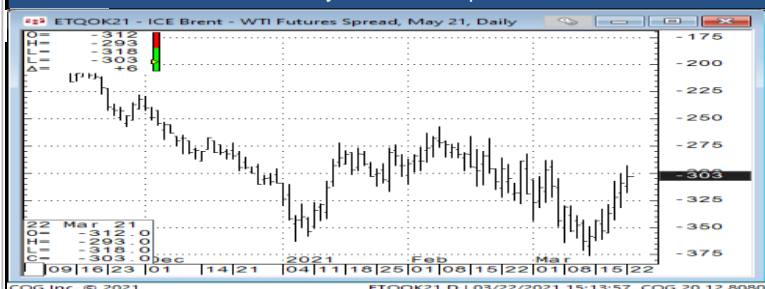
HO - Apr \$1.7712, down 5.81 cents

All NYMEX | Prior Settlements

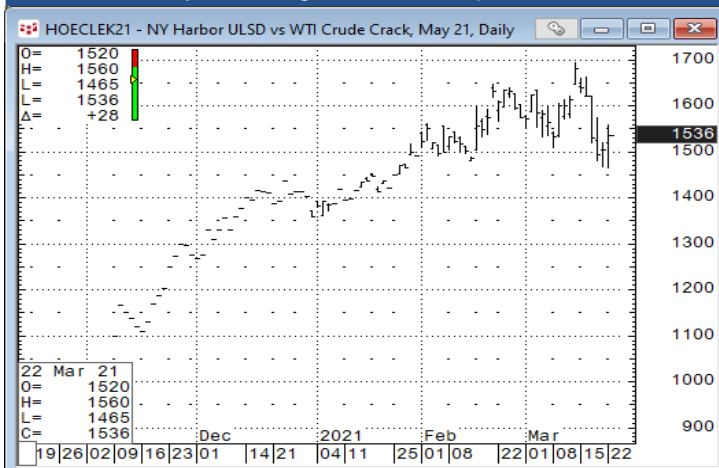
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.8293	0.0070	0.1196
May-21	1.8303	0.0083	0.1171
Jun-21	1.8313	0.0094	0.1129
Jul-21	1.8335	0.0104	0.1080
Aug-21	1.8355	0.0107	0.1040
Sep-21	1.8386	0.0108	0.0998
Oct-21	1.8413	0.0109	0.0965
Nov-21	1.8434	0.0110	0.0935
Dec-21	1.8439	0.0112	0.0905
Jan-22	1.8461	0.0114	0.0871
Feb-22	1.8462	0.0116	0.0836
Mar-22	1.8419	0.0121	0.0797
Apr-22	1.8315	0.0127	0.0753
May-22	1.8259	0.0135	0.0712
Jun-22	1.8228	0.0139	0.0670
Jul-22	1.8252	0.0144	0.0633
Aug-22	1.8272	0.0150	0.0599

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	May Brent-WTI Spread \$3.06	\$61.5600	\$0.1200
Crude - Brent		\$64.6200	\$0.0900
Natural Gas		\$2.5820	\$0.0470
Gasoline		\$1.9598	\$0.0167

ICE May Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

