

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures rose more than 1% on Monday, with WTI climbing to its highest level in two years. Prices were lifted by European economic reopenings and rising U.S. demand after prices fell earlier due to surging coronavirus cases in Asia and underwhelming Chinese manufacturing data. Over the past couple of weeks, oil prices moved higher on promising economic growth, although the pace of inflation has kept many investors concerned that interest rates could rise, which could hit consumer spending. June WTI added 90 cents, or 1.4%, to settle at \$66.27 a barrel, while July Brent settled at \$69.46 a barrel after adding 75 cents, or 1.1%. Meanwhile, U.S. retail gasoline prices hit a seven-year high on Monday, as it will take some time for the nation's largest fuel pipeline's supply chain to fully catch up after being hit by a cyberattack that resulted in a six-day system outage last week and mass panic buying. June RBOB added .0317 cents, to settle at \$2.1583 a gallon, while June heating oil settled at \$2.0604 a gallon, up .0242.

Technical Analysis: WTI dipped earlier in the session, after gapping higher on the opening, but quickly turned to the upside. Despite minor dips, June WTI continues to trend higher within the ascending channel. This spot contract is approaching the upper line of an ascending triangle set at \$66.57 for Tuesday's session. A break above this line will trigger buy stops which could put this market up around the \$68 level. Support is seen at \$65 and below that at \$62.27.

Fundamental News: Russia's Deputy Prime Minister, Alexander Novak, said that the oil prices of \$62-\$66/barrel reflect the current market. He also stated that oil demand has not been restored yet as the global economy has not fully recovered.

Descartes Lab reported that U.S. gasoline demand increased for the second consecutive week, increasing by 1% to 9.501 million bpd in the week ending May 14th.

U.S. imports of European gasoline fell in the week ending May 13th amid a fuel shortage in the U.S. East Coast following the cyberattack on the Colonial Pipeline. Transatlantic gasoline arrivals in the U.S. fell to 459,000 bpd during the period compared with 477,000 bpd in the previous week. Eleven tankers discharged a total of 2.9 million barrels on the U.S. East Coast and one tanker arrived with 314,000 barrels in the Gulf Coast.

Gasoline shortages that have plagued the U.S. East Coast over the last week slowly eased on Sunday as the Colonial Pipeline recovered from a crippling cyberattack. Thousands of gas stations ran dry as supplies failed to arrive and drivers fearing a prolonged outage filled tanks and jerry cans. Refiners and fuel distributors are racing to recover before the Memorial Day holiday weekend at the end of May. The company's spokesman Eric Abercrombie said "Colonial Pipeline is currently shipping at normal rates, based on shipper nominations." He added that "it will take some time for the supply chain to fully catch up." According to tracking firm GasBuddy, 80% of stations were still empty in Washington, D.C. GasBuddy data showed that elsewhere, roughly half of the stations in North and South Carolina were still out and at least a third of gas stations were without fuel in Maryland, Virginia and Georgia. GasBuddy also reported that U.S. gasoline demand on Saturday fell nearly 15% from a week earlier, as drivers pulled back on fuel hoarding. Overall outages stood at 12,870 stations, down from 13,450 on Saturday and a peak of more than 16,000. U.S. retail gasoline prices hit a fresh seven-year high on Monday. According to data from the American Automobile Association, the national gas price reached \$3.045/gallon, the highest since October 2014.

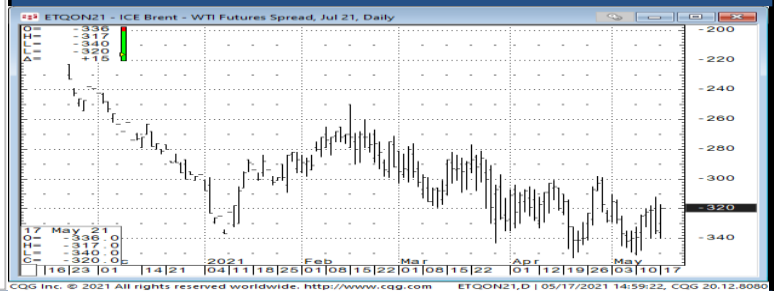
Early Market Call - as of 8:10 AM EDT

WTI - June \$66.59, up 32 cents
 RBOB - June \$2.1748, up 1.65 cents
 HO - June \$2.0739, up 1.35 cents

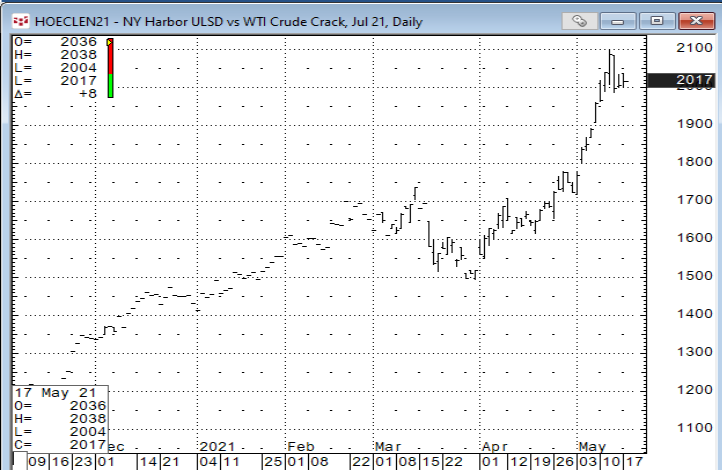
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	2.0604	0.0242	0.0438
Jul-21	2.0586	0.0241	0.0424
Aug-21	2.0594	0.0243	0.0418
Sep-21	2.0612	0.0241	0.0404
Oct-21	2.0620	0.0239	0.0390
Nov-21	2.0623	0.0238	0.0377
Dec-21	2.0609	0.0237	0.0363
Jan-22	2.0595	0.0233	0.0343
Feb-22	2.0545	0.0224	0.0326
Mar-22	2.0445	0.0213	0.0302
Apr-22	2.0303	0.0202	0.0279
May-22	2.0214	0.0192	0.0255
Jun-22	2.0148	0.0185	0.0238
Jul-22	2.0128	0.0175	0.0223
Aug-22	2.0111	0.0165	0.0208
Sep-22	2.0105	0.0156	0.0202
Oct-22	2.0107	0.0149	0.0186

Sprague HeatCurve October 2021-April 2022		\$2.0544
	Close	Change
Crude - WTI	\$66.2800	\$0.9200
Crude - Brent	\$69.4600	\$0.7500
Natural Gas	\$3.1090	\$0.1480
Gasoline	\$2.1583	\$0.0317

ICE July Brent-WTI Spread



June Heating Crack Spread



June RBOB Crack Spread

