

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices fell hard on Friday, finishing lower for the second straight week, after the U.S. Labor Department reported lower than expected job growth in the U.S. According to the report, U.S. job growth expanded by 20,000 jobs, much lower than the expected 180,000 jobs. This renewed concerns of weak demand amid a slowing global economy. April WTI fell as much as 3.7 percent, hitting a low of \$54.52, while May Brent tumbled to a session low of \$64.01, for a loss of 3.4%. Losses were pared after the release of the Baker Hughes report, which showed the number of active U.S. rigs falling by 9, to 834. This marks the third straight week the U.S. rig count fell. April WTI erased 2.8% of its early losses, to settle at \$56.07 a barrel, down 59 cents, or 1.04%, for a weekly gain of 0.5%. May Brent also staged a comeback, finishing the session at \$65.74 a barrel, down 56 cents, or 0.84%, a weekly gain of 1%. April RBOB fell 0.2% to \$1.802 a gallon after settling Thursday as its highest since late October. For the week, the contract saw a weekly rise of 4.1%. April heating oil declined 0.6%, to about \$2 a gallon, ending less than 0.1% lower on the week.

Technical Analysis: For the third straight week WTI failed at \$57.06, the 38% retracement established by the October high of \$79.20 and the December low of \$43.36, while at the same time, it settled below the ascending channel depicted on a daily spot continuation chart. With short term moving oscillators pointing to the downside, we would look for a run at the 50-day moving average, currently set at \$53.73. Below that, additional support can be found at

\$51.79. Resistance is set at \$56.54 and above that at \$57.88.

Fundamental News: US energy firms this week cut the number of oil rigs operating for a third consecutive week to the lowest level in 10 months. Baker Hughes reported that drillers cut nine oil rigs in the week ending March 8th, bringing the total count down to 834, the lowest level since May.

Saudi Arabia's oil production in February fell to 10.136 million bpd, down from 10.24 million bpd in January. The country's oil supply was at 10.014 million bpd in February. The source added that March oil production will be lower than the previous month and is likely to fall below 10 million bpd.

IIR Energy reported that US oil refiners are expected to shut in 1.188 million bpd of capacity in the week ending March 8th, increasing available refining capacity by 290,000 bpd from the previous week. IIR expects offline capacity to fall to 1.097 million bpd in the week ending March 15th and 952,000 bpd in the subsequent week.

Midland crude prices increased to the strongest level in three weeks as shippers bought crude to fill a newly expanding pipeline that will bring oil from West Texas to a crude terminal in Houston. The Midland-to-ECHO pipeline expansion caused additional crude purchases that lifted the price of Midland crude. The pipeline runs to Enterprise's ECHO terminal in Houston, which can store 7.4 million barrels of crude.

US President, Donald Trump, said he is confident that the US can forge a trade deal with China, but added that he believes the US would do very well with or without an agreement with China. Earlier on Friday, White House trade adviser, Cleve Willems, said the two countries made progress in talks but there was still much more left to be done.

The US Treasury Department's Office of Foreign Assets Control said the US is giving individuals and entities more time to wind down certain financial contracts or other agreements related to Venezuela's PDVSA.

According to China's General Administration of Customs, the country's crude oil imports increased to the third highest volume on record on a daily basis on increasing purchases by new private refineries. China imported 39.22 million tons or 10.23 million bpd of crude in February, up 21.6% from 8.41 million bpd last year.

Early Market Call - as of 8:45 AM EDT

WTI - Apr \$56.43, up 37 cents

RBOB - Apr \$1.8203, up 1.84 cents

HO - Apr \$2.0020, up 20 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9998	-\$0.0129	\$0.0045
May-19	\$1.9938	-\$0.0144	\$0.0024
Jun-19	\$1.9908	-\$0.0149	-\$0.0036
Jul-19	\$1.9940	-\$0.0156	-\$0.0072
Aug-19	\$2.0000	-\$0.0165	-\$0.0110
Sep-19	\$2.0096	-\$0.0167	-\$0.0100
Oct-19	\$2.0186	-\$0.0161	-\$0.0086
Nov-19	\$2.0265	-\$0.0156	-\$0.0076
Dec-19	\$2.0340	-\$0.0150	-\$0.0059
Jan-20	\$2.0406	-\$0.0145	\$0.0000
Feb-20	\$2.0417	-\$0.0140	\$0.0046
Mar-20	\$2.0381	-\$0.0137	\$0.0119
Apr-20	\$2.0260	-\$0.0134	\$0.0082
May-20	\$2.0170	-\$0.0128	\$0.0038
Jun-20	\$2.0119	-\$0.0121	-\$0.0022
Jul-20	\$2.0117	-\$0.0120	-\$0.0030
Aug-20	\$2.0118	-\$0.0119	-\$0.0044

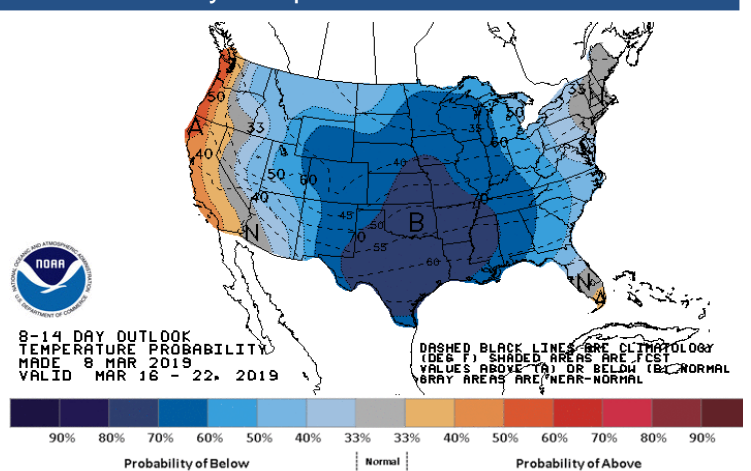
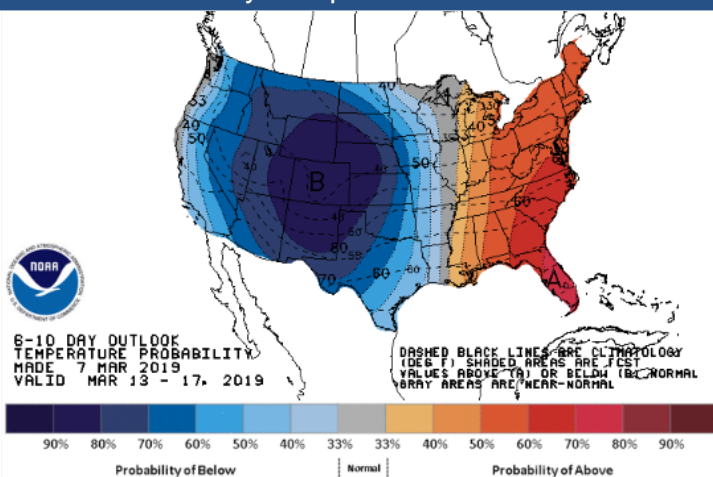
Sprague HeatCurve Oct 2019-Apr 2020 \$2.0348

Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$56.0700	\$0.5900
Crude - Brent	WTI Spread	\$65.7400	\$0.5600
Natural Gas	\$9.67	\$2.8650	\$0.0010
Gasoline		\$1.8020	\$0.0034



6-10 Day Temperature Outlook

8-14 Day Temperature Outlook



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