

Market Commentary

Recap: After posting a fresh four month high on Friday, WTI slipped as much as 1.4 percent to a session low of \$57.74 a barrel, while Brent fell as much as 1.6 percent, posting a session low of \$66.13 a barrel. Concern over a slowing global economy and hearty U.S. production weighed on prices. The move to the downside was short lived, as traders remain torn between economic woes and OPEC led production cuts. Both Brent and WTI bounced off of session lows after the IEA released a report stating that output had fallen by 240,000 barrels per day last month, hitting its lowest level in four years, and that there is a possibility of supply shortage during the second quarter of the year. Despite the late run-up, oil prices failed to recapture the unchanged level. April WTI settled at \$58.52 a barrel, down 9 cents, or 0.2 percent, but finished the week up 4.4 percent. Brent for May delivery settled at \$67.16 a barrel, down 7 cents, up 0.10 percent. April RBOB added 0.4% at \$1.858 a gallon, up about 3.1% on the week, while April heating oil lost 0.9% to \$1.968 a gallon.

Technical Analysis: April WTI bounced off of the lower trend line on the ascending channel as seen on a daily spot continuation chart, sparking a fresh round of technical buying. With moving oscillators still pointing to the upside on the daily and weekly spot continuation charts, we would look for prices to begin the week trading to the upside. Resistance is set at \$58.95. Above this level, additional resistance is set at \$59.50. Support is set at \$57.50 and \$56.57.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil fell for the fourth consecutive week. Drillers cut one oil rig in the week ending March 15th, bringing the total number of rigs searching for oil to 833.

In its monthly report, the IEA said the oil market will reverse into a modest deficit from the second quarter of this year, with OPEC possessing a large supply cushion to prevent any price rally in case of possible supply disruptions. It kept its 2019 oil demand growth forecast unchanged at 1.4% or 1.4 million bpd. The IEA said solid non-OPEC oil output growth led by the US should ensure demand is met. It said the market could show a modest surplus in the first quarter of 2019 before flipping to a deficit in the second quarter by about 500,000 bpd. The agency said it was particularly concerned about a possible further decline in production in Venezuela, where output has stabilized at 1.2 million bpd in recent months.

Goldman Sachs said higher oil demand coupled with declining production and supply cuts could help Brent prices rally over \$70/barrel in the near term. It said demand is off to a strong start in 2019, with recent oil data suggesting current demand concerns should ease further. Based on data that shows an increase in demand in January of 1.55 million bpd from a year earlier, Goldman Sachs estimates that overall global demand increased by nearly 2 million bpd during the month. This growth was visible in both emerging and developed markets. Meanwhile, supply losses in 2019 are large with producers in OPEC exceeding their cut commitment and on accelerating declines in Venezuela's output.

IIR Energy reported that US oil refiners are expected to shut in 1.22 million bpd of capacity in the week ending March 15th. The offline capacity is expected to increase to 1.37 million bpd in the week ending March 22nd and to 1.38 million bpd in the week ending March 29th.

Norway's Petroleum Directorate said the country's oil production in February fell by 11.4% on the year to 1.39 million bpd.

Canada's Imperial Oil Ltd will delay its C\$2.6 billion Aspen oil sands project in Alberta by about a year after the government imposed output cuts due to pipeline bottlenecks.

Early Market Call - as of 8:05 AM EDT

WTI - Apr \$58.60, up 8 cents

RBOB - Apr \$1.8613, up 37 points

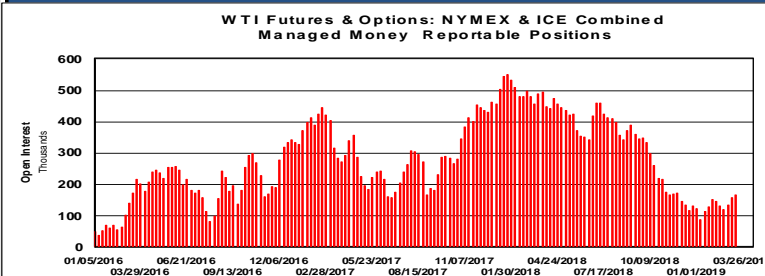
HO - Apr \$1.9645, down 29 points

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-19	\$1.9677	-\$0.0172	-\$0.0321
May-19	\$1.9710	-\$0.0164	-\$0.0228
Jun-19	\$1.9752	-\$0.0158	-\$0.0156
Jul-19	\$1.9832	-\$0.0151	-\$0.0108
Aug-19	\$1.9924	-\$0.0143	-\$0.0076
Sep-19	\$2.0033	-\$0.0136	-\$0.0063
Oct-19	\$2.0131	-\$0.0131	-\$0.0055
Nov-19	\$2.0215	-\$0.0127	-\$0.0050
Dec-19	\$2.0290	-\$0.0124	-\$0.0050
Jan-20	\$2.0362	-\$0.0119	-\$0.0044
Feb-20	\$2.0381	-\$0.0115	-\$0.0036
Mar-20	\$2.0351	-\$0.0112	-\$0.0030
Apr-20	\$2.0241	-\$0.0109	-\$0.0019
May-20	\$2.0160	-\$0.0102	-\$0.0010
Jun-20	\$2.0115	-\$0.0096	-\$0.0004
Jul-20	\$2.0114	-\$0.0092	-\$0.0003
Aug-20	\$2.0117	-\$0.0089	-\$0.0001

Sprague HeatCurve Oct 2019-Apr 2020 \$2.0307

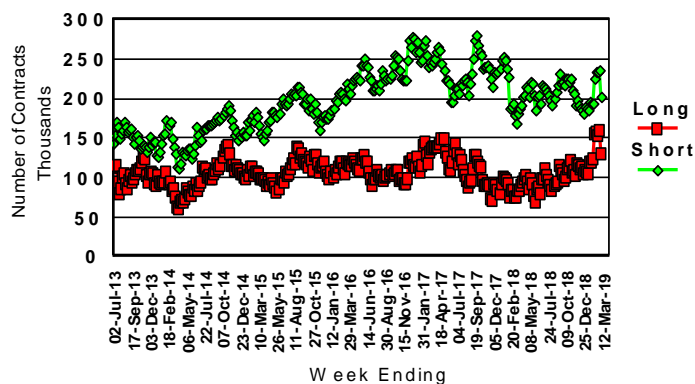
Other Front Month NYMEX	Close	Change
Crude - WTI	\$58.8200	-\$0.0900
Crude - Brent	\$67.1600	-\$0.0700
Natural Gas	\$2.7950	-\$0.0600
Gasoline	\$1.8577	\$0.0082



Commitment of Traders Report for the Week Ending March 12, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

