

Market Commentary

Recap: Crude oil futures rose for the second straight session, but gains were contained as the coronavirus pandemic's heavy toll on demand offset hopes for a forthcoming \$2 trillion U.S. economic stimulus package. Prices continue to reel from the unexpected price war between Saudi Arabia and Russia, which has flooded the market with supplies while the pandemic is on track to lower fuel demand by at least 10% worldwide. Early in the session both Brent and WTI were trading up over 5%. So far this year, oil prices have fallen about 50%. Meanwhile, U.S. gasoline futures soared over 30% early in the day and closed up about 8%. May WTI finished up 65 cents, or 2.8%, to settle at \$24.01 a barrel, while May Brent added 12 cents, or 0.4%, settling at \$27.15 a barrel. April RBOB tacked on about 7.8% to settle at 44.37 cents a gallon, that's after dropping 32% on Monday. April heating oil rose 6.3% to \$1.0803 a gallon.

Technical Analysis: Despite gaining ground, it's tough to think that oil prices can maintain momentum to the upside, given the overwhelmingly bearish demand outlook. At this point in time, it appears that the demand factor will far outweigh any stimulus measures. While the U.S. stock market rallied in response to the \$2 trillion coronavirus aid package and gold posted gains, demand worries continue to pressure oil prices. For now, we would stick to the sidelines, waiting for a break above \$30.00 before entertaining higher prices. We should see selling up at the \$30.00 level, which leaves us cautious. Prior to this level, there is psychological resistance up at \$25.00 and \$27.50. Support is seen at \$23.00 and below that at \$20.50.

Fundamental News: US President Trump stated that the US is going to be opening relatively soon and added that he would love to have the US open by Easter. He stated that the country is not built to shutdown and added that a country can be destroyed by a shutdown. He said Americans can socially distance themselves and head to work.

The Trump administration will appoint Victoria Coates as special energy representative to Saudi Arabia. She will be based in Saudi Arabia to ensure the Department of Energy has an added presence in the region. Coates will work in Saudi Arabia for months at least alongside State Department officials and existing energy attaché, Scott Hutchins.

Citi lowered its oil price forecasts. It sees Brent crude prices averaging \$30/barrel this year and \$17/barrel through the second quarter of this year.

Barclays cut its oil price forecasts for 2020, citing downward pressure on the market from the Saudi-Russian price war and demand disruption caused by the coronavirus pandemic. The bank lowered its 2020 price outlook for Brent and WTI by \$12/barrel each to \$31/barrel and \$28/barrel, respectively.

The head of the Renewable Fuels Association trade group, Geoff Cooper, said US ethanol producers are on track to shut down 2 billion gallons of annualized output by the end of the week due to a decline in output.

Suncor Energy Inc cut its 2020 production outlook and suspended share repurchases for the year following a fall in oil prices. It revised its 2020 production outlook to a range of 740,000 bpd of oil equivalent to 780,000 bpd of oil equivalent, down from its previous forecast of 800,000 bpd of oil equivalent to 840,000 bpd of oil equivalent.

Chevron Corp said it was lowering its forecasts for spending and Permian production by 20% for the year. It expects organic capital and exploratory spending to be \$16 billion for the year, while production in the Permian basin at the end of the year is expected to be about 125,000 bpd of oil equivalent.

US Senators Chuck Grassley and Joni Ernst of Iowa have asked the Trump administration not to appeal a court ruling that would cut the use of small refinery biofuel waivers, but have not heard back yet on its decision. A court in January ruled the EPA had been overusing the waivers in a decision that could end the program.

Early Market Call - as of 8:50 AM EDT

WTI - Apr \$23.57, down 44 cents

RBOB - Apr \$4.599, up 1.62 cents

HO - Apr \$1.0799, down 4 points

All NYMEX | Prior Settlements

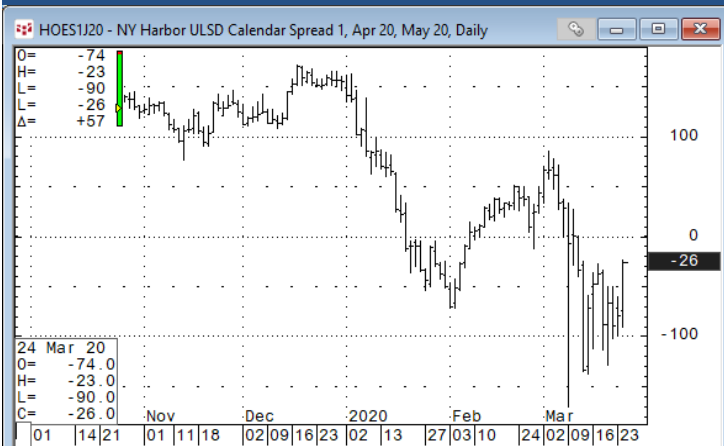
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-20	1.0803	0.0642	-0.0446
May-20	1.0836	0.0592	-0.0438
Jun-20	1.1013	0.0571	-0.0484
Jul-20	1.1222	0.0536	-0.0460
Aug-20	1.1450	0.0511	-0.0450
Sep-20	1.1689	0.0488	-0.0444
Oct-20	1.1902	0.0470	-0.0432
Nov-20	1.2082	0.0457	-0.0413
Dec-20	1.2223	0.0445	-0.0377
Jan-21	1.2348	0.0434	-0.0329
Feb-21	1.2444	0.0429	-0.0286
Mar-21	1.2529	0.0428	-0.0256
Apr-21	1.2595	0.0426	-0.0249
May-21	1.2708	0.0420	-0.0236
Jun-21	1.2843	0.0414	-0.0233
Jul-21	1.3028	0.0410	-0.0233
Aug-21	1.3189	0.0407	-0.0227

Sprague Heat Weighted Strip October -April 20/2021			\$1.2331
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent- WTI Spread \$3.14	\$24.0100	\$0.6500
Crude - Brent		\$27.1500	\$0.1200
Natural Gas		\$1.6530	\$0.0510
Gasoline		\$0.4437	\$0.0319

API Report for the Week Ending March 20, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 1.2 million barrels	Up 2.5 million barrels
Cushing, OK Crude Stocks	Up 1.1 million barrels	
Gasoline Stocks	Down 2.6 million barrels	Down 2.4 million barrels
Distillate Stocks	Down 1.9 million barrels	Down 1.6 million barrels
Refinery Runs	Up 178,000 b/d	Up 0.7%, at 87.1%
Crude Imports		

Heating Oil April-May Spread



Sprague HeatCurve October-April

