

Market Commentary

Recap: Despite the unexpected fall in U.S. crude oil stocks, oil prices remained below unchanged as the tariff war between the U.S. and China heated up. Commodity markets across the board were under pressure, as were stocks, after China said it would impose tariffs on several U.S. goods.

Oil prices commenced the session just above unchanged, but began to decline steadily in overnight trading. By daybreak, prices plunged as much as 2.2%, with May WTI bottoming the session at \$62.06 and June Brent reaching a low of \$66.70. A brief bounce occurred upon the release of the EIA inventory report, but lacked enough steam to drive prices above unchanged. As in the past, oil traded in a lockstep fashion with equities, and as equities rebounded, so did the oil market. Although prices breached the unchanged level for the second time during trading, they lack sustainability. May WTI settled at \$63.37 a barrel, down 14 cents, or 0.22%, while June Brent slipped 10 cents, or 0.15%, to settle at \$68.02 a barrel.

May RBOB ended at \$1.9768 a gallon, up .0027, with May heating oil fell .0177 to settle at \$1.9773 a gallon.

Fundamental News: Bloomberg reported that crude imports to the US Gulf Coast fell by 512,000 bpd to 2.4 million bpd in the week ending March 30th.

According to Bloomberg preliminary calculations from vessel-tracking data, observed crude exports from Saudi Arabia increased to 6.989 million bpd in March, up from 6.851 million bpd in February. It also reported that Kuwaiti shipments fell to 2.075 million bpd in March from 2.089 million bpd, with a sharp fall in exports to China, India and Taiwan offsetting increases to South Korea and Singapore.

Saudi Arabia's Energy Minister, Khalid al-Falih, said an attack on a Saudi tanker by Yemen's Houthi would not impact oil supplies. The Western-backed, Saudi-led coalition which includes other Sunni Muslim states, said the Houthis attacked the oil tanker off Yemen's main port of Hodeidah on Tuesday. Saudi oil industry sources stated that oil operations and shipments were proceeding as normal and that security around facilities inside the country had not increased further. The EU naval force said the oil tanker was the vessel Abqaiq, while shipping data showed it was Saudi-flagged, carrying more than 2 million barrels of crude and destined for Ain Sukhna in Egypt.

Bloomberg reported that output from the 14 OPEC members fell by 170,000 barrels to 32.04 million bpd in March. It was the lowest level since April's 31.9 million bpd. It reported that Venezuela's oil production fell by 100,000 bpd from February to 1.51 million bpd, while Algeria's output fell by 40,000 bpd to 1 million bpd. Libya saw production fall below 1 million bpd after some fields were shut down. Saudi Arabia's production fell by 10,000 bpd from February to 9.87 million bpd.

IIR reported that the US oil refiners are expected to shut in 942,000 bpd of capacity in the week ending April 6th, cutting available refining capacity by 60,000 bpd from the previous week. IIR expects offline capacity to increase to 1.327 million bpd in the week ending April 13th.

The US Environmental Protection Agency granted hardship exemptions from the country's biofuel laws to 25 oil refineries in 2017. In a typical year, the EPA would receive about 12 to 15 requests for hardship exemptions and would grant about half of them. Refiners applied for the waivers in larger numbers in the wake of a federal appeals court ruling in August that said the EPA must expand the criteria for approving such waivers.

Early Market Call - as of 7:35 AM EDT

WTI - May \$63.28, down 10 cents

RBOB - May \$1.9706, down 60 points

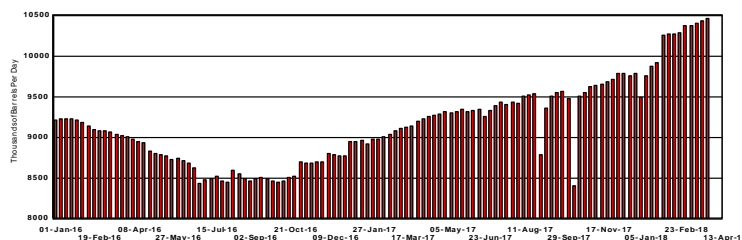
HO - May \$1.9702, down 72 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$1.9773	-\$0.0177	-\$0.0366
Jun-18	\$1.9742	-\$0.0168	-\$0.0374
Jul-18	\$1.9718	-\$0.0156	-\$0.0383
Aug-18	\$1.9702	-\$0.0144	-\$0.0384
Sep-18	\$1.9721	-\$0.0135	-\$0.0377
Oct-18	\$1.9735	-\$0.0129	-\$0.0366
Nov-18	\$1.9745	-\$0.0124	-\$0.0350
Dec-18	\$1.9742	-\$0.0117	-\$0.0333
Jan-19	\$1.9747	-\$0.0112	-\$0.0324
Feb-19	\$1.9721	-\$0.0108	-\$0.0315
Mar-19	\$1.9631	-\$0.0102	-\$0.0309
Apr-19	\$1.9471	-\$0.0093	-\$0.0294
May-19	\$1.9382	-\$0.0080	-\$0.0275
Jun-19	\$1.9337	-\$0.0075	-\$0.0279
Jul-19	\$1.9341	-\$0.0071	-\$0.0275
Aug-19	\$1.9350	-\$0.0065	-\$0.0269
Sep-19	\$1.9390	-\$0.0064	-\$0.0263

Sprague HeatCurve Oct 2018-April 2019		\$1.9698
Other Front Month NYMEX		Change
	Close	
Crude - WTI	June Brent- WTI Spread	-\$0.1300
Crude - Brent	\$4.69	-\$0.1000
Natural Gas	\$2.7180	\$0.0210
Gasoline	\$1.9768	\$0.0027

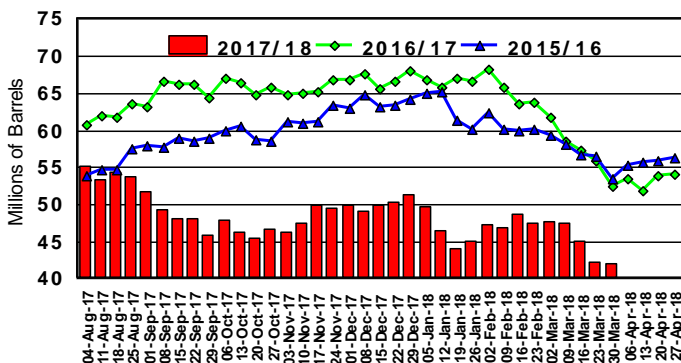
U.S. Domestic Crude Production



EIA Weekly Petroleum Status Report for the Week Ending March 30, 2018

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 4.617 million barrels

Cushing, OK Crude Stocks Up 3.666 million barrels

Gasoline Stocks Down 1.116 million barrels

Distillate Stocks Up 537,000 barrels

Refinery % Operated 93%, Up 0.7%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Mar 30, 2018	Week Ending March 23, 2018	Week Ending Mar 31, 2017
New England	6.1	6.0	8.5
Central Atlantic	23.5	25.3	32.5
Total PADD #1	42.0	42.2	52.5
(thousands b/d)	82	137	131