

## Market Commentary

**Recap:** Oil prices slipped on Thursday, as U.S. President Donald Trump called on OPEC to boost output in an effort to lower prices, which are set to finish with their best quarterly gains in a decade. Futures hit a session low immediately following Trump's comments, but worked their way back toward unchanged. May WTI fell as much as 2 percent, hitting a session low of \$58.20 a barrel before paring most of its losses. This spot contract settled at \$59.30 a barrel, down 11 cents, or 0.19 percent. Brent for May delivery fell 1.8 percent to a low of \$66.55 before it too recouped its losses, to settle at \$67.82 a barrel, down 1 cent or 0.01 percent. April RBOB settled at \$1.880 a gallon, down 0.8%, while April heating oil shed 0.4% to \$1.972 a gallon. The April contracts expire Friday.

**Technical Analysis:** May WTI found support down around its 200-day moving average. Technical bottom picking helped to push this spot contract back toward the \$59.00 level, giving it a healthy outlook. Coming into tomorrow, we would look for WTI to work its way back above \$59.00. Above this level additional resistance is set at \$60.38 and \$62.40. Support is set at \$58.00 and below that at \$57.00.

**Fundamental News:** Genscape reported that crude oil stocks held in Cushing, Oklahoma increased by 1,117,707 barrels in the week ending Tuesday, March 26<sup>th</sup> and by 310,683 barrels from Friday, March 22<sup>nd</sup> to 48,803,095 barrels.

US President Donald Trump called for OPEC to increase its oil production to lower the price of oil.

Three sources stated that Saudi Arabia is having a difficult time convincing Russia to remain in the OPEC-led output cut agreement, with Russia considering a possible three-month extension. The sources said that Russia's Energy Minister, Alexander Novak, told his Saudi counterpart, Khalid Al-Falih, when the two met in Baku this month that he cannot guarantee an extension to the end of 2019. An OPEC source said that Saudi Arabia and other OPEC members could be forced to consider continuing the cuts alone if Russia opted not to stay. The sources said that it was unclear whether Russia's tough stance was a negotiation tactic or a real threat to quit the agreement as Novak faces increasing pressure from Russian oil companies that no longer want cuts on their production.

Russia's Gazprom Neft does not expect the global deal to cut oil output will last long and does not take it into account in its long-term planning. The company plans to increase or at least maintain hydrocarbon production at 100 million tons/year after 2020.

Four tankers were preparing to offload or load cargoes in the Houston Ship Channel, the first signs of an easing of the bottleneck that cut 1 million bpd of shipments. The Houston Ship Channel reopened this week with operating restrictions following a fire at Mitsui & Co Inc's Intercontinental Terminals Co in Deer Park, Texas. According to Kpler, oil and fuel moving out of the port fell to 1.4 million bpd this week, from a 10-day average of 2.4 million bpd. On Thursday morning, 50 inbound and 28 outbound vessels were waiting to move through the ship channel.

Gasoline stocks independently held in the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending March 28<sup>th</sup> fell by 3.46% on the week and by 25.67% on the year to 1.031 million tons. Gasoil stocks increased by 5.9% on the week and by 0.07% on the year to 2.694 million tons while fuel oil stocks increased by 7.87% on the week but fell by 21.21% on the year to 836,000 tons.

### Early Market Call - as of 8:00 AM EDT

WTI - May \$60.22, up 92 cents

RBOB - Apr \$1.9464, up 3.82 cents

HO - Apr \$1.9881, up 1.48 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9720	-\$0.0086	-\$0.0151
May-19	\$1.9707	-\$0.0107	-\$0.0190
Jun-19	\$1.9744	-\$0.0105	-\$0.0192
Jul-19	\$1.9793	-\$0.0105	-\$0.0207
Aug-19	\$1.9866	-\$0.0104	-\$0.0215
Sep-19	\$1.9969	-\$0.0100	-\$0.0211
Oct-19	\$2.0059	-\$0.0097	-\$0.0212
Nov-19	\$2.0141	-\$0.0094	-\$0.0211
Dec-19	\$2.0215	-\$0.0092	-\$0.0210
Jan-20	\$2.0282	-\$0.0091	-\$0.0213
Feb-20	\$2.0289	-\$0.0089	-\$0.0219
Mar-20	\$2.0246	-\$0.0087	-\$0.0223
Apr-20	\$2.0131	-\$0.0087	-\$0.0221
May-20	\$2.0044	-\$0.0086	-\$0.0219
Jun-20	\$1.9997	-\$0.0084	-\$0.0213
Jul-20	\$1.9990	-\$0.0083	-\$0.0209
Aug-20	\$1.9986	-\$0.0083	-\$0.0213

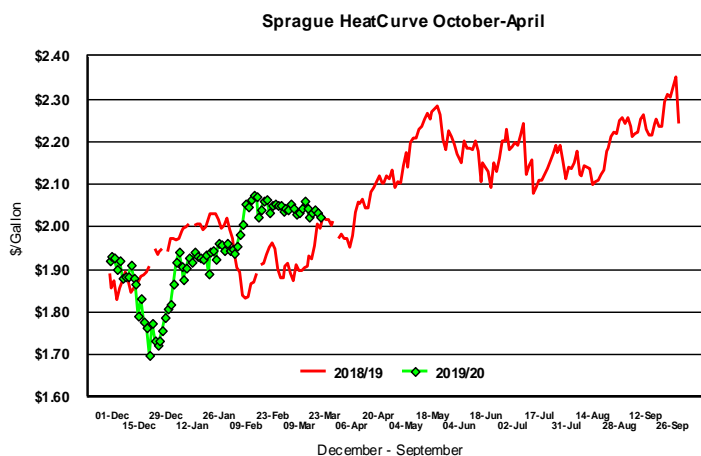
### Sprague HeatCurve Oct 2019-Apr 2020 \$2.0220

Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$59.3000	-\$0.1100
Crude - Brent	WTI Spread	\$67.8200	-\$0.0100
Natural Gas	\$8.52	\$2.7120	-\$0.0070
Gasoline		\$1.8799	-\$0.0156

### EIA Working Gas Storage Report

	22-Mar-19	15-Mar-19	Change	Year Ago
East	225	245	-20	246
Midwest	248	268	-20	288
Mountain	62	62	0	88
Pacific	104	96	8	166
South Central	467	471	-4	603
Salt	137	135	2	181
Nonsalt	329	336	-7	422
Total	1,107	1,143	-36	1,392

## Sprague HeatCurve October-April



## ICE May Brent-WTI Spread

