

## Market Commentary

**Recap:** Oil futures tumbled on Thursday, dipping down toward the lows of Tuesday and Wednesday, as concern over the increasing number of COVID19 cases across Europe gave rise to worries about demand. Traders kept an eye on the progress of moving a ship that has been blocking tanker traffic in the Suez Canal, impeding the transportation of oil. Adding to the pressure was a report by Reuters that crude oil producers from Europe, Africa and the U.S. faced difficulties selling to Asia, especially China, as buyers took cheaper oil from storage while refinery maintenance has reduced demand. May WTI fell \$2.62, or 4.28%, to settle at \$58.56 a barrel, while May Brent lost \$2.56, or 3.82%, to settle at \$61.85 a barrel. April RBOB traded at \$1.92 a gallon, down 3.3%, while April heating oil lost 3.9%, to settle at \$1.76 a gallon.

**Technical Analysis:** Thursday's down move in oil prices suggests that this market remains under pressure and therefore we would look for WTI to break below the double bottom near the area of \$57.25, with advances toward \$55 and down toward \$54.86, the 38% retracement provided by the November low of \$33.64 and the March high of \$67.98. The \$60 level has been a key pivotal area and pushes through this level allow for a run at \$62.

**Fundamental News:** The Suez Canal Authority said it had suspended traffic temporarily while eight tugs work to free a giant container ship stranded in the southern stretch of the canal for two days. Thirteen ships had sailed south along the canal on Wednesday and were waiting in lakes until the container ship Ever Given is released. The salvage company said the container ship blocking the Suez Canal like a "beached whale" may take weeks to free. A total of 237 large container ships, tankers carrying oil and gas, and bulk vessels hauling grain have back up at either end of the canal. It is up from 185 on Wednesday and 100 at the start of the blockage. Consultancy Wood Mackenzie said the largest impact was on container shipping but there were also a total of 16 laden crude and product oil tankers due to sail through the canal and now delayed. The tankers were carrying 870,000 tons of crude and 670,000 tons of clean oil products such as gasoline, naphtha and diesel. Consultancy Kpler said that the canal accounted for only 4.4% of total oil flows but a prolonged disruption would complicate flows of Russian and Caspian oil to Asia and oil from the Middle East into Europe.

China's Commerce Ministry said the country will try to safeguard the Iran nuclear deal and defend the legitimate interests of Sino-Iranian relations. China's comments came after reports that Iran has "indirectly" moved record volumes of oil into China in recent months, marked as supplies from Oman, the UAE and Malaysia, even as China customs data showed that no Iranian oil was imported in the first two months this year.

Abu Dhabi National Oil Company has notified buyers in Asia that it plans to cut supplies of crude oil loading in June by 15%. It cut May supplies by 5% last month. Those supply cuts are part of United Arab Emirates' obligation under a pact between OPEC and their allies to reduce output and balance global oil markets.

The U.S. Commerce Department reported that the U.S. GDP in the fourth quarter increased by 4.3%, up from a previous estimate of 4.1%.

The U.S. Labor Department reported that the number of initial unemployment benefit claims fell to a one-year low of 684,000 in the week ending March 20<sup>th</sup>.

**Early Market Call - as of 8:20 AM EDT**

WTI - May \$59.84, up \$1.29  
 RBOB - Apr \$1.9552, up 3.43 cents  
 HO - Apr \$1.7915, up 4.37 cents

## All NYMEX | Prior Settlements

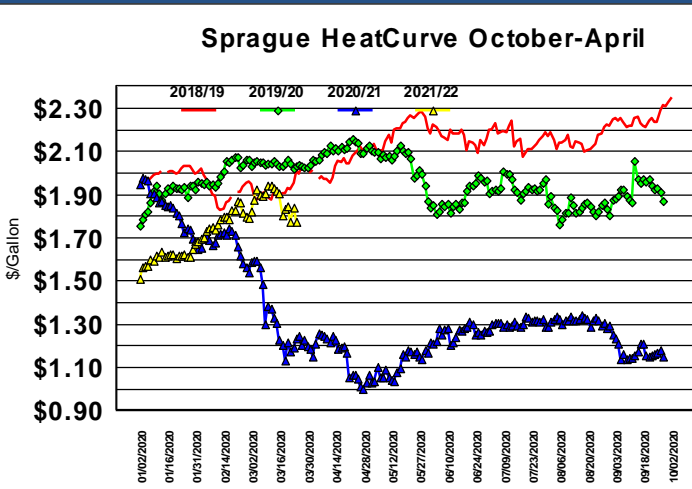
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.7478	-0.0778	0.0364
May-21	1.7496	-0.0769	0.0363
Jun-21	1.7520	-0.0756	0.0350
Jul-21	1.7554	-0.0744	0.0332
Aug-21	1.7585	-0.0733	0.0321
Sep-21	1.7625	-0.0724	0.0313
Oct-21	1.7665	-0.0716	0.0301
Nov-21	1.7700	-0.0708	0.0292
Dec-21	1.7714	-0.0705	0.0291
Jan-22	1.7747	-0.0694	0.0285
Feb-22	1.7758	-0.0686	0.0279
Mar-22	1.7721	-0.0680	0.0274
Apr-22	1.7630	-0.0670	0.0258
May-22	1.7587	-0.0661	0.0244
Jun-22	1.7567	-0.0652	0.0234
Jul-22	1.7603	-0.0643	0.0224
Aug-22	1.7633	-0.0636	0.0215

Sprague HeatCurve October 2021-April 2022			\$1.7718
		Close	Change
Crude - WTI	May Brent-WTI Spread \$3.39	\$58.5600	-\$2.6200
Crude - Brent		\$61.9500	-\$2.4600
Natural Gas		\$2.5700	\$0.0520
Gasoline		\$1.9209	-\$0.0681

## EIA Working Gas Storage Report

	19-Mar-21	12-Mar-21	Change	19-Mar-2020
East	307	328	-21	400
Midwest	405	426	-21	495
Mountain	112	114	-2	93
Pacific	193	199	-6	195
South Central	730	715	15	827
Salt	215	197	18	256
Nonsalt	515	519	-4	571
Total	1,746	1,782	-36	2,009

## Sprague HeatCurve October-April



## WTI Continuation



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