

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices began the session trading unchanged, but were given a boost by a rebound in the equities market. Prices climbed steadily throughout the session; however they could not muster enough strength to undue yesterday's heavy sell-off. May WTI gradually rose to a high of \$63.77 before paring gains to settle at \$63.51 a barrel, up 50 cents, or 0.79%. June Brent peaked the session at \$68.38 before finishing up 48 cents, or 0.71%, settling at \$68.12 a barrel. May RBOB ended at \$1.9741 a gallon, up .0086, with May heating oil tacking on .0148 to settle at \$1.9950 a gallon.

Fundamental News: Bloomberg reported that crude oil stocks held in Cushing, Oklahoma are estimated to have increased by 2.4 million barrels to 33.6 million barrels in the week ending March 30th.

According to US customs data compiled by Bloomberg, preliminary US waterborne crude imports fell by 1.64 million bpd to 3.26 million bpd in the week ending March 30th.

Russia's Energy Minister, Alexander Novak, said Russia is planning to fully comply with its commitment to cut oil output under the OPEC and non-OPEC deal this month. His comments follow March production data that showed that Russia did not meet its target of cutting 300,000 bpd against October 2016 volumes last month. He also said a joint organization for cooperation between OPEC and non-OPEC countries may be set up once the current deal on oil output cuts expire at the end of the year.

UAE Energy Minister, Suhail Al-Mazrouei, said the global deal to cut oil production has removed 85% of the oversupply and added that OPEC and allied producers are seeking ways to cooperate after the agreement ends. He said the world economy is benefitting from the cuts.

According to Petrologistics, OPEC's oil output in the first three months of the year fell by 425,000 bpd from its 2017 average. Supply from all 14 OPEC countries in the first three months of 2018 averaged 32.27 million bpd.

Goldman Sachs said it expects US oil production to increase by 200,000 to 300,000 bpd per quarter during 2018 with investor focus on stock-specific execution. Goldman Sachs remains optimistic on global oil demand and assumes oil demand at 1.8 million bpd.

Iraq's Oil Minister, Jabbar al-Luaibi, said the country adjusted its crude oil production capacity target and is now aiming to achieve 6.5 million bpd by 2022. Iraq is technically supposed to restrict actual production to 4.35 million bpd, under OPEC's output restraint deal agreed in late 2016. Iraq produced 4.43 million bpd in February and had at least 280,000 bpd shut-in at Kirkuk fields due to a lack of an export route.

Iraq's crude exports are expected to fall in March as northern sales fall to a nearly three year low. Total exports were 3.74 million bpd through March 28th compared with a revised 3.87 million bpd for all of February.

According to Bloomberg, observed crude shipments from Iran fell lower in March from February's five-month high, with no shipments seen heading for Japan last month. Its combined shipments of crude and condensate fell to 2.516 million bpd in March from 2.589 million bpd.

Early Market Call - as of 8:25 AM EDT

WTI - May \$62.55, down 96 cents

RBOB - May \$1.9563, down 1.74 cents

HO - May \$1.9665, down 2.69 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$1.9950	\$0.0148	-\$0.0292
Jun-18	\$1.9910	\$0.0133	-\$0.0337
Jul-18	\$1.9874	\$0.0119	-\$0.0368
Aug-18	\$1.9846	\$0.0106	-\$0.0391
Sep-18	\$1.9856	\$0.0098	-\$0.0397
Oct-18	\$1.9864	\$0.0093	-\$0.0395
Nov-18	\$1.9869	\$0.0093	-\$0.0382
Dec-18	\$1.9859	\$0.0094	-\$0.0366
Jan-19	\$1.9859	\$0.0094	-\$0.0359
Feb-19	\$1.9829	\$0.0094	-\$0.0352
Mar-19	\$1.9733	\$0.0093	-\$0.0347
Apr-19	\$1.9564	\$0.0096	-\$0.0336
May-19	\$1.9462	\$0.0105	-\$0.0320
Jun-19	\$1.9412	\$0.0112	-\$0.0319
Jul-19	\$1.9412	\$0.0108	-\$0.0316
Aug-19	\$1.9415	\$0.0108	-\$0.0315
Sep-19	\$1.9454	\$0.0109	-\$0.0305
Oct-19	\$1.9499	\$0.0109	-\$0.0305

Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent- WTI Spread \$4.66	\$63.4600	\$0.4700
Crude - Brent		\$68.1200	\$0.4800
Natural Gas		\$2.6970	\$0.0140
Gasoline		\$1.9741	\$0.0080

API Report for the Week Ending March 23, 2018

	Actual	Mkt Expectations
Crude Oil Stocks(excluding SPR)	Down 3.3 million barrels	Up 200,000/575,000 barrels
Cushing, OK Crude Stocks	Up 4.1 million barrels	Up 2.4 million barrels
Gasoline Stocks	Up 1.1 million barrels	Down 1.3/1.6 million barrels
Distillate Stocks	Up 2.2 million barrels	Down 925,000/1.1 million barrels
Refinery Runs	Up 24,000 bpd	Up 0.1% at 92.4%

NYMEX May-June WTI Spread

NYMEX May-June Heating Oil Spread

