

Market Commentary

Recap: OPEC led supply cuts along with U.S. sanctions against Iran and Venezuela pushed oil prices higher on Friday, putting crude oil markets on track for their largest quarterly gain since 2009. Strong quarterly gains follow the 38 percent drop seen in the last quarter of 2018. May WTI rose as much as 2.4 percent, pushing back above \$60.00 a barrel to a session high of \$60.73. Brent for May delivery gained as much as 1.5 percent, reaching a session high of \$68.89 a barrel. Both WTI and Brent traded at their highest level so far this year. Gains were pared, with May WTI settling at \$60.14 a barrel, up 84 cents, or 1.42 percent, or a weekly gain of 1.8 percent, while May Brent tacked on 57 cents, or 0.84 percent to settle at \$68.39 a barrel, for a weekly gain of 2.4 percent. May RBOB rose 1.86 cents to end at \$1.8842 a gallon, for a weekly loss of 0.28 percent while May heating oil edged up to \$1.9714 a gallon, for a weekly gain of 0.51 percent.

Technical Analysis: WTI is closing in on \$61.28, the 50 percent retracement provided by the range between the October 2018 high of \$79.43 and the December low of \$43.59. We would look for WTI to begin the week trading to the upside, with stretches toward \$61.28. Additional resistance is set at \$62.40 and above that at \$63.20. Support rests at \$59.56, the 10-day moving average and below that at \$58.00.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the week ending March 29th fell by 8 to 816.

The EIA reported that US crude oil production in January fell by 90,000 bpd to 11.871 million bpd from a revised 11.961 million bpd in December. Oil production in North Dakota increased by 9,000 bpd on the month, while production in Texas fell by 64,000 bpd on the month.

According to Refinitiv Eikon, a tanker of Iranian fuel oil was sitting offshore Malaysia as a top US sanctions official visiting Singapore on Friday urged local governments to comply with US sanctions imposed on Iran.

Barclays said oil prices in the second quarter of this year are likely to be supported by supply-side disruptions in the US and Venezuela, with further support from the OPEC complying with its output curtailment plans. It expects Brent prices to average \$73/barrel during the second quarter, while US crude futures are seen averaging about \$65/barrel. It expects Brent oil prices to average \$70/barrel and \$62/barrel in 2019. It expects global oil demand to increase 1.3 million bpd year on year.

Two South Korean oil importers have recently turned back US crude oil cargoes over quality issues. SK Energy and Hyundai Oilbank sent back cargoes of US Eagle Ford condensate that arrived in January and February after the oil was found to contain impurities. Despite the declined cargoes, South Korean refiners said they will continue to buy US oil as long as it is prices competitively with other supplies.

Russia's Energy Minister, Alexander Novak, denied a report that Russia would only agree to extend the global oil output cut agreement for three months. He said the extension of the OPEC and non-OPEC output cut deal has not been discussed yet. He said such discussions could start in May and added that there are no proposals at the moment.

Separately, Russian Energy Minister, Alexander Novak, said he planned to discuss with his Venezuelan counterpart ways to increase oil exports from Venezuela.

IIR Energy reported that US oil refiners are expected to shut in 1.9 million bpd of capacity in the week ending March 29th, cutting available refining capacity by 163,000 bpd from the previous week. The offline capacity is expected to fall to 1.2 million bpd in the week ending April 5th and to 909,000 bpd in the subsequent week.

Early Market Call - as of 8:25 AM EDT

WTI - May \$68.85, up 71 cents

RBOB - May \$1.8899, up 77 points

HO - May \$1.9932, up 2.22 cents

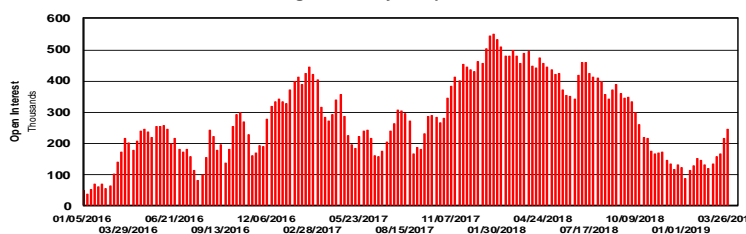
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9734	\$0.0014	\$0.0075
May-19	\$1.9714	\$0.0007	\$0.0046
Jun-19	\$1.9748	\$0.0004	\$0.0043
Jul-19	\$1.9799	\$0.0006	\$0.0034
Aug-19	\$1.9877	\$0.0011	\$0.0029
Sep-19	\$1.9984	\$0.0015	\$0.0033
Oct-19	\$2.0079	\$0.0020	\$0.0034
Nov-19	\$2.0161	\$0.0020	\$0.0034
Dec-19	\$2.0230	\$0.0015	\$0.0029
Jan-20	\$2.0293	\$0.0011	\$0.0022
Feb-20	\$2.0297	\$0.0008	\$0.0010
Mar-20	\$2.0250	\$0.0004	-\$0.0002
Apr-20	\$2.0130	-\$0.0001	-\$0.0010
May-20	\$2.0041	-\$0.0003	-\$0.0017
Jun-20	\$1.9992	-\$0.0005	-\$0.0020
Jul-20	\$1.9981	-\$0.0009	-\$0.0027
Aug-20	\$1.9975	-\$0.0011	-\$0.0035

Sprague HeatCurve Oct 2019-Apr 2020 \$2.0231

Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent-	\$60.1400	\$0.8400
Crude - Brent	WTI Spread	\$68.3900	\$0.5700
Natural Gas	\$8.25	\$2.6620	-\$0.0500
Gasoline		\$1.8956	\$0.0157

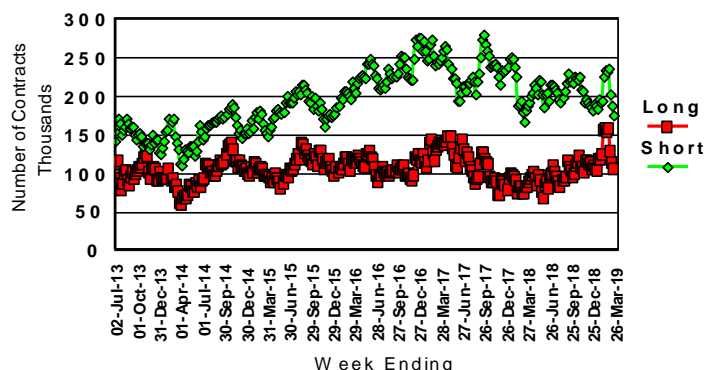
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending March 26, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

