

Market Commentary

Recap: Oil futures were mixed on Friday, with Brent holding onto modest gains and WTI falling to its lowest level in 18 years, in part due to the expiration of the May contract. However, long dated futures contracts were also down as supplies in the U.S. continue to overwhelm demand amid the coronavirus pandemic. With U.S. oil futures dropping to their lowest level since early 2002, the spread between the front-month and future-month deliveries have been hit hard. With physical barrels finding it hard to find buyers, storage is being feverishly sought and therefore limiting availability. This has forced the market into historic contango market conditions. The spreads on Tuesday between the front month and the contracts for later delivery were the largest since Feb. 12, 2009, according to Dow Jones Market Data, which tracked front month prices versus the next four months of future delivery prices. On that day, the front-month May WTI oil contract traded \$14.45 a barrel below the September contract the data showed. May WTI crude, which expires at Tuesday's settlement, settled at \$18.27 a barrel, down \$1.60, or 8.05%, the June contract, which will become the front month at May's expiration, was at \$25.03, down 50 cents, or 1.9%. June Brent settled at \$28.08 a barrel, up 26 cents.

Front-month petroleum product futures climbed, with May gasoline up 0.8% at 71.07 cents a gallon, ending over nearly 5% higher for the week. May heating oil added 1.1% to 95.63 cents a gallon, though saw a weekly decline of 1.7%.

Technical Analysis: WTI is in the process of rolling over contracts, and as a result, technical indicators are making a lot of noise. However, we have seen a significant breach of the \$20 level in the May contract, and would look for June to work its way to that level. Support for June is set at the \$20 level with additional support at \$17.50. To the upside, \$27 provides significant resistance. Breaks above this level should prompt a push toward \$30.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the US fell by 66 to 438 in the week ending April 17th.

According to shipping sources, traders are storing an estimated 160 million barrels of oil on ships, double the level from two weeks ago, as they seek to tackle an oversupplied market due to a fall in global demand. Oil held in floating storage on tankers had reached at least 160 million barrels, including 60 supertankers. This is compared with 25 to 40 VLCCs already chartered with storage options at the start of April and fewer than 10 VLCCs in February. There are over 770 VLCCs in the world and analysts have estimated as many as 100 to 200 supertankers could be deployed for floating storage in coming months.

Saudi Aramco has allocated around 4 million barrels per day of crude oil to its Asian customers, which is lower than its full contractual volumes to Asia by about 2 million bpd. Aramco said on Friday that it would supply its customers inside the kingdom and abroad with around 8.5 million bpd of crude, in line with a supply cut pact agreed by Organization of the Petroleum Exporting Countries and other leading oil producers.

The Kremlin's spokesman, Dmitry Peskov, said Russia's oil output deal with leading global producers will have an impact on global markets once it begins to be implemented.

Oman's Minister of Oil and Gas, Mohammed al-Ruhmy, said the OPEC+ production cut agreement will not sufficiently balance the market.

The Norwegian Petroleum Directorate said Norway's oil production fell in March from the previous month, missing official forecasts by 4.4% due to technical problems at some fields.

IIR Energy reported that US oil refiners are expected to shut in about 4.4 million bpd of capacity in the week ending April 17th, cutting available refining capacity by 87,000 bpd from the previous week.

Early Market Call - as of 8:35 AM EDT

WTI - May \$11.62, down \$6.665

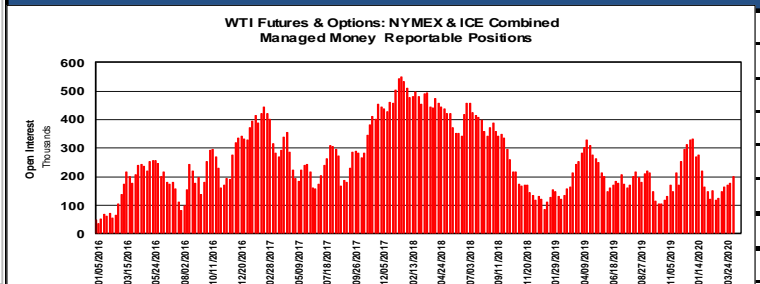
RBOB - May \$.7058, down 49 points

HO - May \$.9222, down 3.41 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-20	0.9563	0.0100	0.0163
Jun-20	0.9800	0.0073	0.0332
Jul-20	1.0212	0.0075	0.0362
Aug-20	1.0637	0.0072	0.0343
Sep-20	1.1034	0.0072	0.0321
Oct-20	1.1373	0.0070	0.0291
Nov-20	1.1626	0.0069	0.0250
Dec-20	1.1808	0.0064	0.0227
Jan-21	1.1980	0.0053	0.0213
Feb-21	1.2117	0.0041	0.0197
Mar-21	1.2229	0.0033	0.0183
Apr-21	1.2296	0.0034	0.0170
May-21	1.2383	0.0038	0.0154
Jun-21	1.2497	0.0042	0.0129
Jul-21	1.2684	0.0042	0.0116
Aug-21	1.2860	0.0043	0.0102
Sep-21	1.3006	0.0043	0.0088

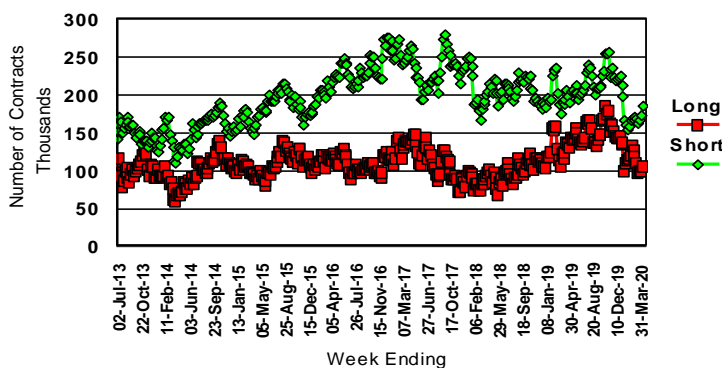
Sprague Heat Weighted Strip October -April 20/2021			\$1.1958
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$25.0300	-\$0.5000
Crude - Brent	WTI Spread	\$28.0800	\$0.2600
Natural Gas	\$3.05	\$1.7530	\$0.0670
Gasoline		\$0.7107	\$0.0056



Commitment of Traders Report for the Week Ending April 14, 2020

Producer/Merchant Heat Posits

CFTC Commitment of Traders Report



Managed Money Heat Posits

CFTC Commitment of Traders Report

