

Market Commentary

Recap: Oil futures rose as much as 3.8% on Tuesday, following a rise across the spectrum for commodities, as the International Monetary Fund boosted its 2021 economic growth forecast to 6% from a January forecast of 5.5% as it expects strong growth for emerging economies and the United States. Adding support was weakness in the U.S. dollar. Traders shifted attention away from last week's decision by major producers to boost oil output to focus on talks that began Tuesday in an effort to revive the Iranian nuclear deal, which would add more oil to global markets, but prospects for an agreement appear dim. WTI for May delivery added \$1.16, or 2%, to settle at \$59.81 a barrel, while May Brent rose \$1.10, or 1.8%, to close at \$63.25 a barrel. Petroleum products also rose, with May RBOB gaining 1.3%, to settle \$1.99 a gallon and May heating oil added 1.7%, to \$1.80 a gallon.

Market Outlook: WTI bounced off of the upward trend line that has held up on previous occasion, while the 10 and 50-day moving averages are trending side by side. Two days ago, the shorter term average crossed below the longer term, indicating more downside potential however, since crossing to the downside, the 10-day moving average has been hugging the 50-day moving average. Given this scenario, and this market still trying to figure out in what direction it wants to go, we would look for continued choppy trading within a sideways trading pattern. Looking at the June WTI contract, there is a head and shoulders pattern that has formed, while the right shoulder of this pattern has formed an upside down flag formation. While the market can still head higher, we would look for selling opportunities up toward the top of the flag line. A break to the downside can put the June contract in a position to test \$53.60 and possibly \$52.

Fundamental News: The EIA stated its latest Short Term Energy Outlook, that U.S. crude oil production is expected to fall by 270,000 bpd in 2021 to 11.04 million bpd, a steeper decline than its previous forecast for a fall of 160,000 bpd. U.S. crude oil output in 2022 is expected to increase by 820,000 bpd to 11.86 million bpd, compared with a previous increase of 870,000 bpd. Meanwhile, OPEC output in 2021 is expected to increase by 1.26 million bpd to 31.83 million bpd and increase by 1.51 million bpd to 33.34 million bpd in 2022. The EIA also stated that it expects U.S. petroleum and other liquid fuel demand to increase by 1.32 million bpd to 19.44 million bpd in 2021, compared with a previous forecast for a rise of 1.41 million bpd. The EIA estimated that U.S. petroleum demand in 2022 will increase by 980,000 bpd to 20.42 million bpd, down from a previous estimate of 1 million bpd increase. The EIA reported that world petroleum demand in 2021 is expected to increase by 5.5 million bpd to 97.67 million bpd and by 3.65 million bpd to 101.32 million bpd in 2022.

U.S. imports of diesel from Europe increased to more than 1 million barrels in the week ending April 1st. Weekly diesel arrivals from Europe increased to 147,000 bpd or three cargoes totaling 1.03 million barrels compared with 244,000 barrels in the previous week. Gasoline imports fell to 359,000 bpd from 364,000 bpd in the previous week.

Kpler is estimating that 7.76 million barrels of gasoline is expected to arrive on the USAC during the week beginning April 5th. Kpler estimated that last week some 927,000 b/d of gasoline and naphta was imported into the USAC.

Iran and world powers will meet on Friday after their experts develop plans on how the United States would lift sanctions and Iran return to its obligations, as part of indirect talks aimed at reviving the 2015 nuclear deal. European intermediaries have started shuttling between Iranian and U.S. officials in Vienna as they seek to bring both countries back into full compliance with the accord. U.S. State Department spokesman, Ned Price, said the U.S. is open to direct talks with Iran but does not expect them. He said the nuclear talks are "healthy step forward" and added that the U.S. hopes to leave Vienna with a roadmap to compliance.

Early Market Call - as of 8:05 AM EDT

WTI - May \$59.89, up 56 cents
 RBOB - May \$1.9787, up 1.24 cents
 HO - May \$1.8059, up 1.18 cents

All NYMEX | Prior Settlements

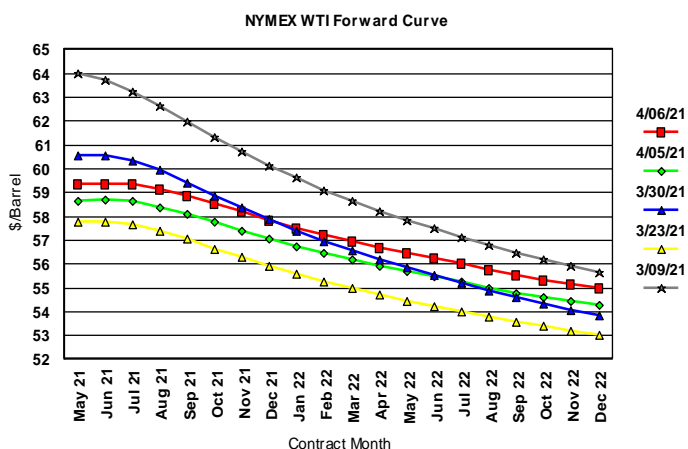
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	\$1.7941	\$0.0217	-\$0.0027
Jun-21	\$1.7960	\$0.0212	-\$0.0016
Jul-21	\$1.7984	\$0.0207	-\$0.0005
Aug-21	\$1.8012	\$0.0204	-\$0.0001
Sep-21	\$1.8052	\$0.0204	-\$0.0007
Oct-21	\$1.8092	\$0.0204	-\$0.0017
Nov-21	\$1.8128	\$0.0202	-\$0.0027
Dec-21	\$1.8149	\$0.0205	-\$0.0041
Jan-22	\$1.8180	\$0.0203	-\$0.0051
Feb-22	\$1.8186	\$0.0203	-\$0.0059
Mar-22	\$1.8148	\$0.0204	-\$0.0070
Apr-22	\$1.8059	\$0.0210	-\$0.0087
May-22	\$1.8018	\$0.0216	-\$0.0106
Jun-22	\$1.8002	\$0.0223	-\$0.0126
Jul-22	\$1.8038	\$0.0221	-\$0.0135
Aug-22	\$1.8070	\$0.0220	-\$0.0145
Sep-22	\$1.8106	\$0.0219	-\$0.0157

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.37	\$59.3700	\$0.6900
Crude - Brent		\$62.7400	\$0.5900
Natural Gas		\$2.4560	-\$0.0550
Gasoline		\$1.9663	\$0.0052

API Report for the Week Ending April 2, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 2.6 million barrels	Down 2.5 million barrels
Cushing, OK Crude Stocks	Down 100,000 barrels	
Gasoline Stocks	Up 4.6 million barrels	Up 300,000 barrels
Distillate Stocks	Up 2.8 million barrels	Up 100,000 barrels
Refinery Runs		Up 0.7%, at 84.6%
Crude Imports		

WTI Forward Curve



8-14 Day Weather Forecast

