

## Market Commentary

**Recap:** Oil prices plunged for the fifth straight week, as a huge drop in global demand, fed by the coronavirus, continues to wreak havoc on the world's economy. The fall in prices came despite the passing of a fiscal stimulus package by the U.S. House, which is expected to ease economic hardship caused by the pandemic. Demand continues to be the primary focus, as negotiations between Saudi Arabia and Russia have failed to come to fruition. U.S. and Canadian production is under extreme pressure under current price levels, and is expected to drop in months ahead. WTI May delivery fell \$1.09, or 4.8%, to settle at \$21.51 a barrel, with prices for the front-month contract ending roughly 5% lower for the week, according to FactSet data.

May Brent fell \$1.05, or 3.8%, to \$26.34 a barrel for a weekly loss of 7.6%. April RBOB rose by 5.5% to 57.37 a gallon, for a weekly loss of more than 5%. April heating oil tacked on 1.7% to \$1.0685 a gallon, for a weekly rise of over 6%.

**Technical Analysis:** Crude oil prices continue to come under pressure and from the looks of things, this is not about to end any time soon. At this point in time, it looks like rallies should be sold, as the lack of demand will make it difficult for this market to sustain strength. Support remains at \$20.50, with resistance set at \$25 and \$27.50.

**Fundamental News:** Saudi Arabia said it was not in talks with Russia to balance oil markets despite increasing pressure from the US to stop a price war amid the coronavirus pandemic and an attempt by Russia to fix a rift with Saudi Arabia.

Baker Hughes reported that US energy firms cut the most oil rigs since April 2015, cutting the number of rigs for a second consecutive week. It said drillers cut 40 oil rigs in the week ending March 27<sup>th</sup>, bringing the total count down to 624, the lowest since March 2017.

The head of the International Energy Agency, Fatih Birol, said oil demand around the world may fall by 20% as 3 billion people are in lockdown as he called on major producers like Saudi Arabia to help to stabilize oil markets.

The Group of 20 major economies pledged on Thursday to inject more than \$5 trillion into the global economy to limit job and income losses from the coronavirus and "do whatever it takes to overcome the pandemic."

ABN Amro sees 2020 Brent prices averaging at \$37/barrel and at \$47/barrel in 2021. It sees 2020 WTI prices averaging at \$35/barrel and at \$44/barrel in 2021.

Vitol said its 2019 revenues were \$225 billion and its traded oil and refined products volumes increased by 8%. Vitol's Chief Executive, Russell Hardy, said last year's performance was "solid" as the company's traded oil volume reached 8 million bpd. Its traded liquefied natural gas volumes increased by 35% to 10.5 million tons.

IIR Energy reported that US oil refiners are expected to shut in 1.4 million bpd of capacity in the week ending March 27<sup>th</sup>, cutting available refining capacity by 523,000 bpd from the previous week. Offline capacity is expected to increase to 1.7 million bpd in the week ending April 3<sup>rd</sup>, and increase further to about 1.9 million bpd in the subsequent week.

The US EPA announced measures to help oil refineries cope with the fallout from the coronavirus pandemic, from waiving seasonal anti-smog requirements for gasoline to extending the deadline for small facilities to show compliance with the country's biofuel law. The EPA added that it would not immediately revisit or rescind any of the exemptions that it has given to small refineries in the past, freeing them from their obligations under the US Renewable Fuel Standard, despite a federal court ruling questioning their legitimacy. The steps are meant to protect gasoline supply.

**Early Market Call - as of 8:44 AM EDT**

WTI - May \$20.21, down \$1.30

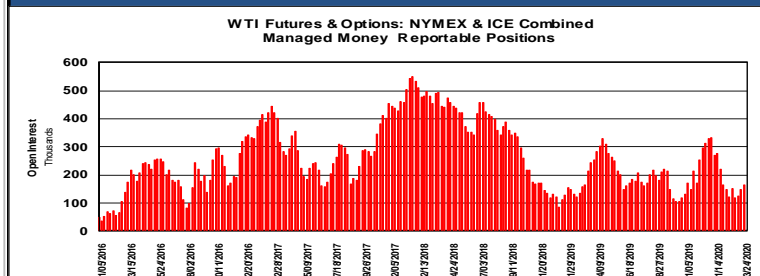
RBOB - Apr \$.5135, down 6.02 cents

HO - Apr \$1.0410, down 2.75 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-20	1.0685	0.0182	-0.0622
May-20	1.0685	0.0180	-0.0546
Jun-20	1.0823	0.0170	-0.0495
Jul-20	1.1025	0.0174	-0.0451
Aug-20	1.1285	0.0191	-0.0468
Sep-20	1.1560	0.0201	-0.0498
Oct-20	1.1799	0.0201	-0.0524
Nov-20	1.1991	0.0196	-0.0541
Dec-20	1.2131	0.0190	-0.0539
Jan-21	1.2262	0.0192	-0.0540
Feb-21	1.2368	0.0195	-0.0548
Mar-21	1.2463	0.0203	-0.0562
Apr-21	1.2539	0.0210	-0.0581
May-21	1.2662	0.0217	-0.0594
Jun-21	1.2789	0.0218	-0.0586
Jul-21	1.2967	0.0216	-0.0581
Aug-21	1.3118	0.0212	-0.0571

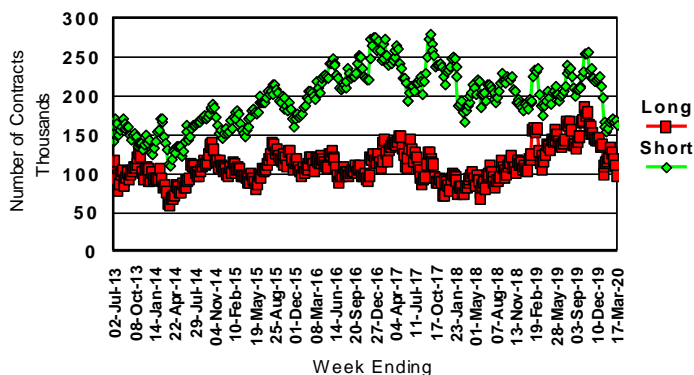
Sprague Heat Weighted Strip October -April 20/2021		\$1.2250	
Other Front Month NYMEX		Close	Change
Crude - WTI	May Brent- WTI Spread \$3.42	\$21.5100	-\$1.0900
Crude - Brent		\$24.9300	-\$1.4100
Natural Gas		\$1.6340	-\$0.0030
Gasoline		\$0.5737	\$0.0299



## Commitment of Traders Report for the Week Ending March 24, 2020

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

