

## Market Commentary

**Recap** Oil prices added to their gains on Tuesday, as more states in the U.S. eased COVID19 restrictions, and as the European Union plans to allow foreign visitors who have been vaccinated to travel to its countries. Gasoline futures jumped more than 2.8%, reaching its highest level in almost three years after a unit at the Phillips 66 Bayway refinery in Linden, NJ was shut due to a leak. Gasoline demand in the U.S. has been on the rise as more motorists take to the roads. Oil futures received a post settlement boost after the API reported a 7.7 million barrel draw in U.S. crude oil inventories, with June WTI rising above \$66 a barrel. This spot contract settled at \$65.29, up \$1.20 or 1.8%. Brent for June delivery added \$1.32, or 1.9%, to settle at \$68.88 a barrel. June RBOB settled at \$2.1512 a gallon, up 0.0412 cents, while June heating oil settled at \$1.9988 gallon, up 0.0469 cents.

**Technical Analysis** The inverse relationship between the U.S. dollar and WTI fell apart after U.S. Treasury Secretary Janet Yellen suggested that U.S. interest rates may need to rise to prevent the economy from overheating as more of U.S. President Joe Biden's economic investment programs come on line. This move would make the dollar more attractive as interest rates rise thereby increasing the price of dollar denominated commodities. Tuesday's move in WTI also suggests buyers are focused on the successful roll-out of vaccine programs in the U.S. and in other developed countries and not on the surge in COVID-19 cases and deaths in India and Brazil. With this in mind, we would look for this market to continue to work higher, with buyers waiting down below to buy on dips. Support is set at \$65 and below that at \$63.28, the 10-day moving average. Resistance is up at the \$67.98 level.

**Fundamental News:** Kpler in a research note warned that India's oil imports may decline by more than 1 million b/d in coming weeks as the impact from COVID shut downs cycle through the economy. They also warned that India's demand loss may result in a cut in global consumption for 2021 of 200,000 bpd.

Reuters reported the 130,500 b/d cat cracker at the 300,000 b/d Bayway Phillips refinery was shut down late Monday night due to a leak. It is uncertain how long the unit will be down.

The 26,000 b/d VDU at the Trainer refinery was reportedly shut down on Monday afternoon. The refinery also had second VDU that went off line Tuesday morning.

The U.S. Commerce Department reported that U.S. factory orders in March rose by 1.1%, slightly less than market expectations of a 1.3% increase. The Commerce Department also revised the February reading from a previous estimate of a 0.8% decline to only a 0.5% decline.

**Early Market Call - as of 8:45 AM EDT**

WTI - June \$66.51, up 82 cents  
 RBOB - June \$2.1790, up 2.78 cents  
 HO - June \$2.0198, 2.10 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	\$1.9988	\$0.0469	\$0.0917
Jul-21	\$1.9999	\$0.0462	\$0.0909
Aug-21	\$2.0017	\$0.0461	\$0.0903
Sep-21	\$2.0050	\$0.0456	\$0.0895
Oct-21	\$2.0075	\$0.0453	\$0.0883
Nov-21	\$2.0088	\$0.0449	\$0.0867
Dec-21	\$2.0084	\$0.0446	\$0.0854
Jan-22	\$2.0080	\$0.0436	\$0.0838
Feb-22	\$2.0040	\$0.0427	\$0.0818
Mar-22	\$1.9958	\$0.0419	\$0.0799
Apr-22	\$1.9836	\$0.0412	\$0.0785
May-22	\$1.9764	\$0.0401	\$0.0766
Jun-22	\$1.9714	\$0.0391	\$0.0750
Jul-22	\$1.9702	\$0.0382	\$0.0726
Aug-22	\$1.9692	\$0.0375	\$0.0700
Sep-22	\$1.9691	\$0.0368	\$0.0676
Oct-22	\$1.9693	\$0.0362	\$0.0652

Sprague HeatCurve October 2021-April 2022			\$2.0033
		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.19	\$65.6900	\$1.2000
Crude - Brent		\$68.8800	\$1.3200
Natural Gas		\$2.9670	\$0.0010
Gasoline		\$2.1512	\$0.0491

### API Weekly Stock Report

### API Report for the week ending April 30th

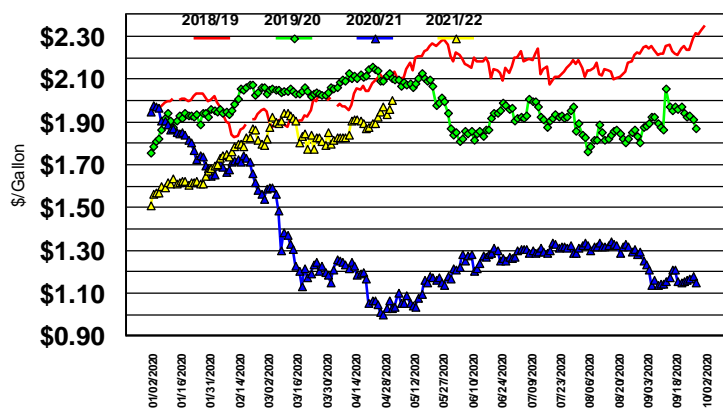
- Crude Oil Stocks-down 7.7 million barrels
- Cushing Stocks – up 5.3 million barrels
- Distillate Stocks- down 3.5 million barrels
- Gasoline Stocks – down 5.3 million barrels

## June WTI



## Sprague Heat Curve

### Sprague HeatCurve October-April



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.