

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures edged lower on Friday, on concerns about increasing supply, and slowing demand, as the number of coronavirus cases rise across Europe, Brazil and India. Additional downside pressure came after OPEC and its allies decided to increase supplies by 2 million barrels per day between May and July. While at the same time, renewed lockdowns in some parts of the world, amid problems with vaccine programs, have the potential of hindering demand. May WTI fell 28 cents, or 0.5%, to settle at \$59.32 a barrel, while June Brent lost 25 cents, or 0.5%, to settle at \$62.95 a barrel. WTI finished 3.5% lower on the week, while June Brent lost 2.9%. May RBOB edged up 0.1%, to \$1.96 a gallon, but settled 3% lower on the week, with May heating oil losing 0.1%, to settle at \$1.81 a gallon, down 1.3% on the week.

Technical Analysis: It was a lackluster trading session on Friday, with oil prices doing very little to end the week. WTI continues to trade in a sideways pattern, as it pivots around \$60. The May contract has been holding below the 10-day moving average, have tested it three times this week. The RSI, which has been showing signs of divergence, may be getting ready to cross to the upside, while the slow stochastics already have. In the meantime, this market has yet to decide whether to breakdown or go higher. Breaks above \$62.25 will most likely see this market head higher, with breaks below \$57.29 leading a push toward \$54.

Fundamental News: Baker Hughes reported that U.S. energy firms kept the number of oil rigs unchanged at 337 in the week ending April 9th. The combined oil and gas rig count, an early indicator of future output, increased by two to 432 during the week, its highest since April 2020. Separately, analysts at Goldman Sachs forecast the total U.S. rig count would rise to an average of 480-500 rigs by the fourth quarter of 2021 with most of that increase coming from the Permian in Texas and New Mexico (35-45 rigs), Eagle Ford in Texas (5-10 rigs) and Bakken in North Dakota (3-5 rigs).

IIR Energy reported that U.S. oil refiners are expected to shut in 2 million bpd of capacity in the week ending April 9th, increasing available refining capacity by 649,000 bpd from the previous week. Offline capacity is expected to fall to 1.8 million bpd in the week ending April 16th and to 1.4 million bpd in the week ending April 23rd.

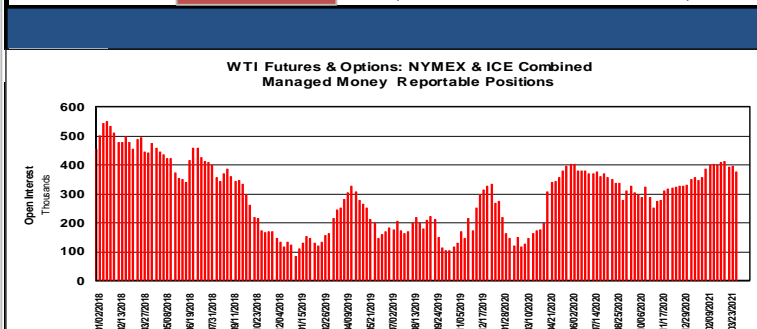
Envoys from China and Russia to the Iran nuclear talks said on Friday there had been progress in efforts to bring Iran and the United States back into compliance with the 2015 nuclear deal and that all sides would reconvene next week. Wang Qun, China's ambassador to the U.N.'s IAEA, said the talks were going in the right direction and parties were narrowing their differences. He said all sides had agreed to reconvene next week to carry out more intensive work. Meanwhile, Mikhail Ulyanov, Russia's envoy to the U.N.'s IAEA said "The Joint Comprehensive Plan of Action participants took stock of the work done by experts over the last three days and noted with satisfaction the initial progress made". Neither the United States nor Iran expect fast breakthroughs in the talks that began in Vienna on Tuesday, with European and other diplomats acting as intermediaries because Iran rejects face-to-face talks for now. Separately, the European Union said officials from Iran, China, Russia, France, Germany and Britain will continue talks on the return of the United States to the 2015 nuclear deal with Iran next week, after "constructive exchanges" this week.

Early Market Call - as of 8:00 AM EDT

WTI - May \$60.05, up 73 cents
 RBOB - May \$1.9796, up 1.75 cents
 HO - May \$1.8325, up 2.49 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8076	-0.0022	0.0240
Jun-21	1.8100	-0.0018	0.0244
Jul-21	1.8130	-0.0015	0.0240
Aug-21	1.8166	-0.0011	0.0231
Sep-21	1.8209	-0.0006	0.0226
Oct-21	1.8245	-0.0006	0.0225
Nov-21	1.8276	-0.0007	0.0225
Dec-21	1.8290	-0.0006	0.0225
Jan-22	1.8317	-0.0005	0.0223
Feb-22	1.8317	-0.0002	0.0222
Mar-22	1.8275	0.0003	0.0215
Apr-22	1.8182	0.0006	0.0203
May-22	1.8135	0.0009	0.0190
Jun-22	1.8109	0.0011	0.0178
Jul-22	1.8139	0.0011	0.0173
Aug-22	1.8169	0.0012	0.0164
Sep-22	1.8203	0.0013	0.0154

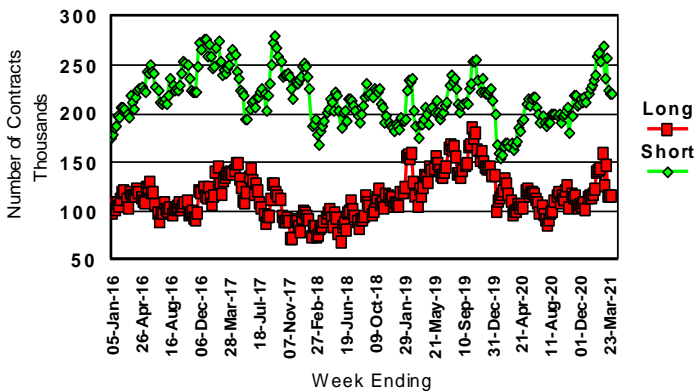
Sprague HeatCurve October 2021-April 2022		\$1.8284
	Close	Change
Crude - WTI	\$59.3500	-\$0.2800
Crude - Brent	\$62.9500	-\$0.2500
Natural Gas	\$2.5260	\$0.0040
Gasoline	\$1.9621	\$0.0028



Commitment of Traders Report for the Week Ending April 6, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

