

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices fell 2.5% as the dollar strengthened, but found support provided by the possibility that U.S. President Trump would instill sanctions against Iran. In overnight trading, prices made a feeble attempt to trade higher, however, Brent held below \$75, while WTI held below \$69. A lack of new fundamentals, combined with a strong dollar to push WTI to a 9-day low of \$66.85, while pressuring Brent to \$72.74, a 10-day low. As the dollar ran out of steam, prices recaptured some of their losses. June WTI settled at \$67.25 a barrel, down \$1.32 or 1.93%, while Brent for July delivery slipped \$1.56, or 2.09%, to settle at \$73.13 a barrel.

June RBOB fell 2% to \$2.089 a gallon, while June heating oil slipped 2.3% to \$2.10 a gallon.

Fundamental News: Israeli Prime Minister, Benjamin Netanyahu, said Israel was not seeking war with Iran after unveiling what he said was evidence of a secret Iranian nuclear weapons program. Iran, which has always said its nuclear program was for strictly peaceful means, dismissed Netanyahu's presentation on Monday as propaganda.

The UN's IAEA declined on Tuesday to directly address Israeli Prime Minister Benjamin Netanyahu's accusations that Iran was breaching its nuclear deal with major powers. It stated that "in line with standard IAEA practice, the IAEA evaluates all (nuclear) safeguards-relevant information available to it. However it is not the practice of the IAEA to publicly discuss issues related to any such information."

Bloomberg reported that crude oil stocks held in Cushing, Oklahoma are expected to have increased by 1 million barrels in the week ending April 27th to 36.4 million barrels.

Genscape reported that crude stocks in Patoka, Illinois increased by 800,000 barrels to 9.442 million barrels in the week ending April 20th. It's the highest level since May 2017. Inventories have increased more than 3 million barrels since the last week of February.

The EIA's Petroleum Supply Monthly report showed that US imports of crude from OPEC countries fell by 9.8% in February to 2.43 million bpd.

Bloomberg reported that crude shipments from Iran increased in April to the highest level since sanctions eased in January 2016, as the country faces the prospect of curbs on sales as soon as mid-May. Combined shipments of crude and condensate increased to 2.83 million bpd in April from 2.48 million bpd in March.

According to the CME, US oil production may increase to over 12 million bpd by the second half of 2019, so long as the 12-24 month futures prices remains around \$55/barrel or higher. It said if Saudi Arabia and Russia resume full production as oil approaches their price targets, the combination of US, Saudi and Russian oil production increases may serve as powerful limit on further oil prices increases.

Daily loadings of North Sea Brent, Forties, Oseberg, Ekofisk and Troll are expected to fall by 8.4% to 940,000 bpd in June from 1.026 million bpd in May. Loadings of North Sea Brent crude was set at four cargoes for June or about 80,000 bpd, down from May's program that had five cargoes or about 97,000 bpd.

Early Market Call - as of 8:50 AM EDT

WTI - June \$67.35, up 9 cents
 RBOB - May \$2.0725, down 1.50 cents
 HO - May \$2.0975, down 21 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$2.0997	-\$0.0677	-\$0.0279
Jun-18	\$2.0965	-\$0.0528	-\$0.0218
Jul-18	\$2.0944	-\$0.0489	-\$0.0190
Aug-18	\$2.0953	-\$0.0447	-\$0.0145
Sep-18	\$2.0964	-\$0.0445	-\$0.0134
Oct-18	\$2.0968	-\$0.0446	-\$0.0141
Nov-18	\$2.0952	-\$0.0456	-\$0.0163
Dec-18	\$2.0952	-\$0.0429	-\$0.0136
Jan-19	\$2.0917	-\$0.0446	-\$0.0154
Feb-19	\$2.0817	-\$0.0484	-\$0.0196
Mar-19	\$2.0656	-\$0.0518	-\$0.0236
Apr-19	\$2.0553	-\$0.0434	-\$0.0159
May-19	\$2.0485	-\$0.0380	-\$0.0114
Jun-19	\$2.0464	-\$0.0312	-\$0.0044
Jul-19	\$2.0488	-\$0.0258	\$0.0016
Aug-19	\$2.0542	-\$0.0214	\$0.0069
Sep-19	\$2.0601	-\$0.0199	\$0.0096

Sprague HeatCurve Oct 2018-April 2019 \$2.0840

Other Front Month NYMEX		Close	Change
Crude - WTI	July Brent-	\$67.1300	-\$1.3500
Crude - Brent	WTI Spread	\$73.1300	-\$1.5600
Natural Gas	\$6.00	\$2.8020	\$0.0390
Gasoline		\$2.0876	-\$0.0432

API Report for the Week Ending April 27, 2018

	Actual	Mkt Expectations
Crude Oil Stocks(excluding SPR)	Up 3.4 million barrels	Up 1.8 million barrels
Cushing, OK Crude Stocks	Up 725,000 barrels	Up 1 million barrels
Gasoline Stocks	Up 1.6 million barrels	Down 1 million barrels
Distillate Stocks	Down 4.1 million barrels	Down 1.3 million barrels
Refinery Runs	Down 128,000 bpd	Up 0.3%, at 91.1%

NYMEX June-July WTI Spread

NYMEX June-July Heating Oil Spread

