

Market Commentary

Recap: WTI fell for the first time in 3 sessions after a meeting by key producers was pushed back to Thursday, contributing to uncertainty in the market, as traders await news of potential crude production cuts OPEC+ was slated to meet on Monday in an effort to resolve the growing worldwide oversupply caused by increased output from Saudi Arabia and Russia and decreasing demand due to the coronavirus pandemic. WTI for May delivery dropped \$2.26, or 8%, to settle at \$26.08 a barrel after front-month prices on Friday ended the week 31.8% higher — posting the largest one-week percentage rise on record, according to Dow Jones Market Data. June Brent slipped \$1.06, or 3.1%, to \$33.05 a barrel after putting in a weekly gain of 22% on Friday.

May RBOB added nearly 1.5% to 70.16 a gallon, but May heating oil shed 2.3% to \$1.0457 a gallon.

Technical Analysis: May WTI gapped lower on Monday, while continuing to trade above the \$25.00 level. With the upcoming OPEC+ meeting on the horizon, we would look for WTI to trade between the range of \$25.00 - \$30.00, with a bias more to the downside, given the expected 10 million barrel build in U.S. crude oil inventories. Support is seen at \$24.74, the current 10-day moving average, and below that at \$23.70. Resistance is set at \$28.34 and above that at \$30.00.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma increased by 5.8 million barrels in the week ending Friday, April 3rd.

A Russian top oil negotiator, who also heads Russian's sovereign wealth fund, Kirill Dmitriev, said Saudi Arabia and Russia are close to a deal on oil output cuts to reduce a global glut. He said Russia is ready to coordinate with other leading oil exporting countries to help to stabilize the global oil market. He also stated that Russia is working closely with US authorities to have American producers participate in the output cut to bring stability in the world. After Thursday's scheduled OPEC+ talks, G20 energy ministers and members of some other international organizations will hold a video conference, hosted by Saudi Arabia, on Friday, according to a senior Russian source.

US Energy Secretary, Dan Brouillette, said that after speaking with the Energy Ministers of Saudi Arabia and Russia he hoped the countries would end their war over market share this week. He said he spoke to his Saudi counterpart, Prince Abdulaziz bin Salman, and told him that the Saudi-Russian battle for market share in the global oil market has "major implications" for the US and the world.

Kuwait's Oil Minister, Khaled al-Fadhel, said the country supports Saudi Arabia's call to renew talks on cutting oil supply due later this week and hopes for a successful outcome to stabilize the oil market. He said Kuwait will commit to the outcome of the OPEC+ meeting and its production and exports plans will adjust according to any agreement reached. OPEC and allies led by Russia, a group known as OPEC+, are due to hold a meeting on Thursday to discuss a new pact on curbing output and ending a price war between Saudi Arabia and Russia which has prompted U.S. President Donald Trump to intervene. Saudi Arabia has called for an emergency meeting between OPEC and its allies as well as other oil producers.

The United Arab Emirates' Energy Minister, Suhail al-Mazrouei, said the country supports Saudi Arabia's proposal to call for an emergency meeting for OPEC+ and other producers.

IIR Energy reported that U.S. oil refiners are expected to have about 3.3 million bpd of capacity offline for the week ending April 10th, cutting available refining capacity by 457,000 bpd from the previous week. Offline capacity is expected to fall to 3.2 million bpd in the week ending April 17th.

Early Market Call - as of 8:35 AM EDT

WTI - May \$26.52, up 43 cents

RBOB - May \$72.09, up 1.84 cents

HO - May \$1.0634, up 1.77 cents

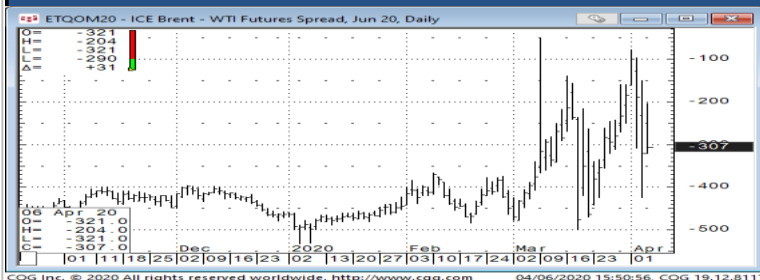
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-20	1.0457	-0.0249	-0.0304
Jun-20	1.0739	-0.0207	-0.0441
Jul-20	1.1098	-0.0174	-0.0580
Aug-20	1.1484	-0.0141	-0.0660
Sep-20	1.1843	-0.0119	-0.0694
Oct-20	1.2111	-0.0099	-0.0679
Nov-20	1.2289	-0.0079	-0.0638
Dec-20	1.2410	-0.0064	-0.0603
Jan-21	1.2538	-0.0043	-0.0584
Feb-21	1.2646	-0.0023	-0.0573
Mar-21	1.2749	-0.0009	-0.0556
Apr-21	1.2828	-0.0005	-0.0531
May-21	1.2914	-0.0007	-0.0474
Jun-21	1.3003	-0.0012	-0.0414
Jul-21	1.3166	-0.0002	-0.0384
Aug-21	1.3313	0.0014	-0.0368
Sep-21	1.3428	0.0033	-0.0358

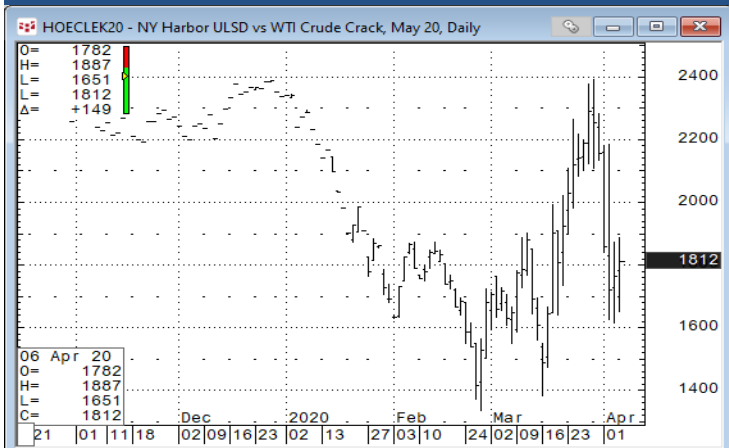
Sprague Heat Weighted Strip October -April 20/2021 \$1.2535

Other Front Month NYMEX	Close	Change
Crude - WTI	\$29.9800	-\$0.9200
Crude - Brent	\$33.0500	-\$1.0600
Natural Gas	\$1.7310	\$0.1100
Gasoline	\$0.7016	\$0.0100

ICE June Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

