

Market Commentary

Recap: Oil futures fell from a two-month high on Tuesday as news broke that the U.S. and Iran have made progress on reviving a deal restricting Iran's nuclear weapons development, which could lead to extra barrels of oil on the open market. Prices plunged nearly 2%, but losses were trimmed after a Russian ambassador said that although progress had been made, negotiators need more time to finalize an agreement. Both Brent and WTI fell more than \$2.00 before paring losses. WTI for June delivery fell 78 cents, or 1.18%, to settle at \$65.49 a barrel, while July Brent ended the session at \$68.71 a barrel, down 75 cents, or 1.08%. June RBOB added .0026, to settle at \$2.1609 a gallon and June heating oil slipped .0040, to settle at \$2.0564 a gallon.

Market Outlook: June WTI experienced an outside trading session, to stretch above the descending trend line on the ascending triangle, but quickly gave up gains to come down and reach toward the bottom trend line of that very same triangle. It also blew through the 10-day moving average but pulled itself right back above this strong technical indicator. The slow stochastics having been crisscrossing just below over bought territory and have not yet give a clear direction in which they want to go. With this in mind, we would look for this market to continue its upside battle but not without a struggle. The near term goal would be to break and hold above the aforementioned triangle, with the March high of \$67.98 the upside near term target. Support is set at \$64.09 and below that at \$62.27, with \$65 acting as a pivotal area.

Fundamental News: Colonial Pipeline said an internal server that runs the nomination system experienced intermittent disruptions on Tuesday morning and later resumed operations. It said these issues were not related to the ransomware or any type of reinfection. Colonial Pipeline was experiencing network issues impacting customers' ability to enter and update nominations.

Colonial Pipeline has allocated Cycle 31 shipments on Line 14, 16, 17, 19, 20 and 29.

Russia's envoy in Vienna, Mikhail Ulyanov, said significant progress made in efforts to broker an agreement between Iran and the U.S. to revive the 2015 nuclear agreement.

China's General Administration of Customs reported that the country's gasoline output in April increased by 17.4% on the year to 11.8 million tons, while its kerosene output increased by 62.6% on the year to 3.94 million tons, its diesel output fell by 6.5% on the year to 12.52 million tons and its fuel oil output fell by 13.2% on the year to 2.88 million tons. China's fuel oil output in April fell by 13.2% on the year to 2.88 million tons and its LPG output increased by 0.1% on the year to 3.79 million tons. Meanwhile, China's diesel exports in April increased by 5.7% on the year because of resurgent overseas demand and refiners' efforts to reduce increasing domestic stocks. China's crude oil throughput has slowed from a peak during the last quarter of 2020, with April runs at 57.9 million tons, or 14.09 million bpd. The customs data on Tuesday also showed China's liquefied natural gas imports in April were 6.73 million tons, up 33.6% from a year earlier.

According to a survey of business leaders released by the Federal Reserve Bank of New York, the service sector in the New York region saw business activity increase at a "record-setting pace" in early May. The survey's headline business activity index, which covers businesses in New York, New Jersey and southwestern Connecticut, increased by nine points to 38.8. Optimism for the future also increased, with the index for future business activity and future employment both reaching record highs of 67.8 and 51.8, respectively.

Early Market Call - as of 8:30 AM EDT

WTI - June \$64.27, down \$1.22
 RBOB - June \$2.1345, down 2.64 cents
 HO - June \$2.0319, down 2.45 cents

All NYMEX | Prior Settlements

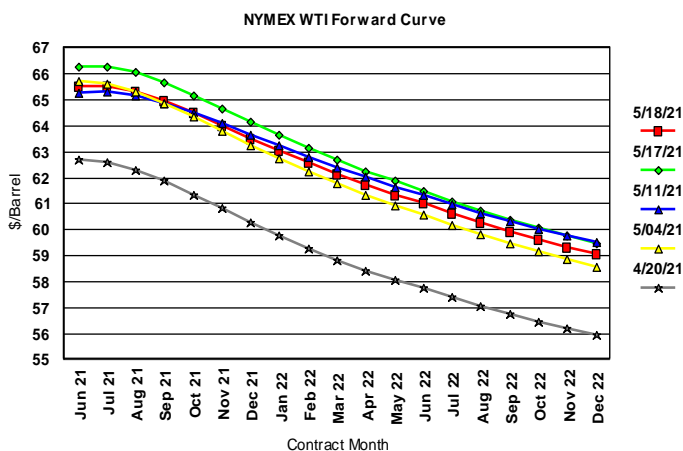
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-21	\$2.0564	-\$0.0040	\$0.0147
Jul-21	\$2.0544	-\$0.0042	\$0.0148
Aug-21	\$2.0552	-\$0.0042	\$0.0150
Sep-21	\$2.0571	-\$0.0041	\$0.0142
Oct-21	\$2.0578	-\$0.0042	\$0.0130
Nov-21	\$2.0581	-\$0.0042	\$0.0117
Dec-21	\$2.0571	-\$0.0038	\$0.0106
Jan-22	\$2.0558	-\$0.0037	\$0.0089
Feb-22	\$2.0510	-\$0.0035	\$0.0077
Mar-22	\$2.0411	-\$0.0034	\$0.0060
Apr-22	\$2.0270	-\$0.0033	\$0.0042
May-22	\$2.0182	-\$0.0032	\$0.0021
Jun-22	\$2.0114	-\$0.0034	\$0.0002
Jul-22	\$2.0096	-\$0.0032	-\$0.0012
Aug-22	\$2.0083	-\$0.0028	-\$0.0025
Sep-22	\$2.0080	-\$0.0025	-\$0.0028
Oct-22	\$2.0085	-\$0.0022	-\$0.0043

Sprague HeatCurve October 2021-April 2022			\$2.0507
		Close	Change
Crude - WTI	July Brent- WTI Spread \$3.21	\$65.5000	-\$0.7800
Crude - Brent		\$68.7100	-\$0.7500
Natural Gas		\$3.0120	-\$0.0970
Gasoline		\$2.1609	\$0.0026

API Report for the Week Ending May 14, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 600,000 barrels	Up 1.7 million barrels
Cushing, OK Crude Stocks	Up 100,000 barrels	
Gasoline Stocks	Down 2.8 million barrels	Down 900,000 barrels
Distillate Stocks	Down 2.6 million barrels	Down 400,000 barrels
Refinery Runs		Down 0.7%
Crude Imports		

WTI Forward Curve



WTI Continuation

