

## Market Commentary

**Recap:** WTI continued its gravitational pull toward \$60.00 a barrel, as geopolitical strife outweighed economic concern. Traders responded to an array of news which included falling exports out of Venezuela and Iran, tensions heating up along the Gaza Strip and expectations that U.S. crude oil inventories fell 1.2 million barrels during the week ending 3/22/19. After gapping higher on the opening, oil prices surged, but fell short of 2019 highs. May WTI tacked on as much as 2.5 percent, reaching a high of \$60.38 a barrel before trimming gains to settle at \$59.94 a barrel, up \$1.12, or 1.9 percent. Brent for May delivery reached a high of \$68.22, a gain of 1.5 percent before it too trimmed gains for a settlement of \$67.91 a barrel, up 76 cents, or 1.13 percent. April RBOB rose 0.9% to \$1.956 a gallon and April heating oil settled at \$1.990 a gallon, up 0.5%.

**Technical Analysis:** WTI continued to trade sideways, as it consolidates around the \$60.00 mark. Tuesday's activity pushed May WTI back into the ascending channel however, \$60.00 is proving to be a strong level of resistance. At this point, we would like to wait and see how WTI performs over the next few days. Moving oscillators are set high in over bought territory, which could limit enthusiasm at current price levels. Support is set at the 10-day moving average currently set at \$59.28 with additional support set at \$57.00. Resistance is set at \$62.40 and above that at \$65.00.

**Fundamental News:** OPEC and its allies aim to hold their next ministerial monitoring committee meeting, known as the JMMC, on May 19<sup>th</sup> in Saudi Arabia's city of Jeddah.

Venezuela's main oil port of Jose has been halted following a massive blackout on Monday. According to Refinitiv Eikon vessel tracking data and PDVSA's trade documents, the most recent oil shipment for export left the Jose terminal on Sunday. Separately, Venezuela's government told workers and school children to stay home following the country's second major blackout this month. President Nicolas Maduro's Socialist government said an attack on its electrical system caused the blackout that first hit on Monday. Power returned to many parts of Caracas by noon on Tuesday but businesses remained idled and few pedestrians were walking the streets.

Sources at Iraq's Basra Oil Co said Iraq has halted crude oil loading operations at its southern terminals due to bad weather but is expected to resume operations on Wednesday.

The Director of the Iranian Oil Pipeline and Telecommunication Co, Abbasali Jafarinabas, said the country's crude oil pipelines have avoided damage from flooding in recent days and the transfer of oil is taking place normally.

The US Coast Guard was preparing to re-open the upper Houston Ship Channel on Tuesday morning with restrictions through a chemical spill area. A total of 56 ships were waiting to transit the Houston Ship Channel, with 34 ships waiting to enter and 22 ships waiting to exit the channel.

Platts reported that strategic stocks are being refilled in France following the release of stocks during the low Rhine water levels seen at the end of 2018. Meanwhile, US Gulf Coast volumes are expected to increase in the coming weeks, even though there are about five vessels leaving the region to take product to Europe in the past seven days. Platts cFlow, trade flow software, showed that about 880,000 metric tons of middle distillates from the US Gulf Coast were scheduled to arrive in Europe in March, including 540,000 metric tons bound for Northwest Europe and 340,000 metric tons for the Mediterranean. The volume expected to arrive in April also began to increase, with 190,000 metric tons already en route to Europe to arrive at the beginning of the month.

**Early Market Call - as of 8:00 AM EDT**

WTI - May \$59.78 down 16 cents  
 RBOB - Apr \$1.9314 down 2.43 cents  
 HO - Apr \$1.9885 down 14 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-19	\$1.9899	\$0.0095	-\$0.0005
May-19	\$1.9911	\$0.0097	\$0.0001
Jun-19	\$1.9944	\$0.0102	\$0.0020
Jul-19	\$1.9995	\$0.0102	\$0.0013
Aug-19	\$2.0065	\$0.0101	\$0.0005
Sep-19	\$2.0161	\$0.0101	-\$0.0001
Oct-19	\$2.0245	\$0.0100	-\$0.0008
Nov-19	\$2.0324	\$0.0099	-\$0.0011
Dec-19	\$2.0396	\$0.0096	-\$0.0012
Jan-20	\$2.0460	\$0.0091	-\$0.0016
Feb-20	\$2.0465	\$0.0083	-\$0.0024
Mar-20	\$2.0418	\$0.0074	-\$0.0033
Apr-20	\$2.0303	\$0.0071	-\$0.0031
May-20	\$2.0216	\$0.0067	-\$0.0029
Jun-20	\$2.0165	\$0.0060	-\$0.0029
Jul-20	\$2.0157	\$0.0057	-\$0.0024
Aug-20	\$2.0154	\$0.0053	-\$0.0025

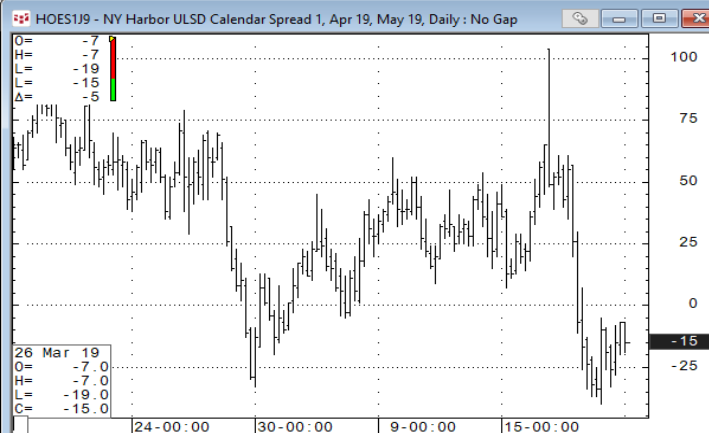
### Sprague HeatCurve Oct 2019-Apr 2020 \$2.0398

Other Front Month NYMEX	Close	Change
Crude - WTI	\$59.9400	\$1.1200
Crude - Brent	\$67.9100	\$0.7600
Natural Gas	\$2.7400	-\$0.0150
Gasoline	\$1.9557	\$0.0178

### API Weekly Report for the Week Ending March 22, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1.9 million barrels	Down 1.2/2.2 million barrels
Cushing, OK Crude Stocks	Up 688,000 barrels	
Gasoline Stocks	Down 3.5 million barrels	Down 2.9/3.6 million barrels
Distillate Stocks	Down 4.3 million barrels	Down 700,000 barrels
Refinery Runs	Down 462,000 bpd	Up 0.7%

## NYMEX Heating Oil Apr-May Spread



## NYMEX RBOB Apr-May Spread

