

Market Commentary

Recap: On Thursday, Brent topped \$75.00 a barrel for the first time in 2019, as Russian exports were suspended due to quality concerns. June Brent rose to a session high of \$75.59; a gain of \$1.02, while WTI held below Tuesday's high of \$66.50, to top the session at \$66.28 a barrel, a gain of 39 cents. By 10:15 EST, both WTI and Brent slipped into a four hour period of sideways trading with June WTI holding within the range of \$65.90 to \$65.72, and June Brent trading between \$75.07 and \$74.80. The sideways activity was broken by a pre-settlement sell-off, which culminated in fresh lows. Before settling at \$65.21 a barrel, a 68 cent loss, June WTI hit a session low of \$64.90, while June Brent bounced off of a session low of \$74.00, to settle at \$74.35 a barrel, down 22 cents. May RBOB rose 0.2% to \$2.132 a gallon and May heating oil ended little changed, a fraction of a cent lower at \$2.098 a gallon.

Technical Analysis: WTI continues to hold above support set at \$65.00. Technical traders regard this as a positive sign for prices, and as a result, look to buy dips. June WTI is currently holding below the upper trend line on an ascending channel that can be depicted on a daily spot continuation chart. As long as WTI holds above the 10-day moving average, which is currently set at \$64.59, the opportunity to work higher exists. Resistance is set at \$67.03, and above that at \$68.65. Support is set at \$65.35 and below that at \$64.55.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, April 23rd increased by 23,822 barrels and by 608,661 barrels from Friday, April 19th to 46,840,485 barrels.

Iran's Foreign Ministry said Iran will not allow any country to replace its oil sales in the global market after the US announced that it would not renew its exemptions from US sanctions against Iran that it granted last year to buyers of Iranian oil.

Saudi Arabia's Energy Minister, Khalid al-Falih, said that China has not yet asked for more crude after the US decided to end sanction waivers on Iranian oil imports that had permitted China to continue purchasing Iranian crude.

Consultancy Rystad Energy said Saudi Arabia and its main allies could replace lost Iranian oil. It said since 2018, Saudi Arabia, Russia, the UAE and Iraq have cut 1.3 million bpd, which is more than enough to compensate for the additional loss.

The head of the Petroleum Association of Japan, Takashi Tsukioka, said the US decision not to renew waivers previously granted on Iran oil import sanctions would not disrupt stable supplies to Japan as refiners are securing alternative supplies.

Russia's Deputy Prime Minister, Dmitry Kozak, said clean Russian oil is expected to reach a border with Belarus via a pipeline on April 29th. He said Russia, Poland and Belarus are expected to hold talks on Friday to discuss how to partially withdraw contaminated Russian oil from the Druzhba pipeline running via those two countries.

Meanwhile, Germany and Poland have suspended imports of Russian oil via the Druzhba pipeline, citing poor quality. A spokesman for German industry group MWV said German refineries have adequate oil stocks to deal with an overnight halt to import flows on the Russian Druzhba pipeline. Poland's PKN Orlen said it has no plans at the moment to tap strategic state oil reserves due to the halt in Russian supplies. It will receive all of its oil via sea from the Baltic port of Gdansk until supplies from Russia via the pipeline resume.

Iraq's Oil Minister, Thamer Ghadhban, said his country had the capacity to increase its oil production to 6 million bpd if needed, but added that the country was committed to the OPEC-led output cuts and would not take unilateral action to increase supply.

Early Market Call - as of 8:50 AM EDT

WTI - June \$64.02, down \$1.19

RBOB - May \$2.1031, down 2.93 cents

HO - May \$2.0577, down 4 cents

All NYMEX | Prior Settlements

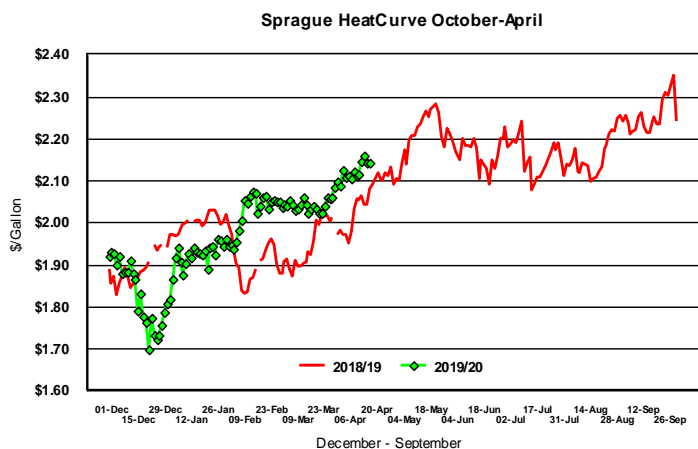
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	\$2.0981	-\$0.0006	\$0.0272
Jun-19	\$2.1005	-\$0.0003	\$0.0265
Jul-19	\$2.1067	-\$0.0004	\$0.0266
Aug-19	\$2.1140	-\$0.0004	\$0.0265
Sep-19	\$2.1243	-\$0.0006	\$0.0269
Oct-19	\$2.1342	-\$0.0007	\$0.0274
Nov-19	\$2.1415	-\$0.0010	\$0.0271
Dec-19	\$2.1463	-\$0.0013	\$0.0265
Jan-20	\$2.1493	-\$0.0016	\$0.0257
Feb-20	\$2.1453	-\$0.0018	\$0.0247
Mar-20	\$2.1355	-\$0.0020	\$0.0233
Apr-20	\$2.1190	-\$0.0022	\$0.0217
May-20	\$2.1063	-\$0.0023	\$0.0203
Jun-20	\$2.0972	-\$0.0022	\$0.0191
Jul-20	\$2.0913	-\$0.0023	\$0.0176
Aug-20	\$2.0864	-\$0.0024	\$0.0159
Sep-20	\$2.0831	-\$0.0026	\$0.0141

Sprague HeatCurve Oct 2019-Apr 2020		\$2.1412	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$65.2100	-\$0.6800
Crude - Brent	WTI Spread	\$74.3500	-\$0.2200
Natural Gas	\$9.14	\$2.5140	\$0.0520
Gasoline		\$2.1321	\$0.0036

EIA Working Gas Storage Report

	19-Apr-19	12-Apr-19	Change	Year Ago
East	251	228	23	205
Midwest	264	254	10	213
Mountain	70	66	4	84
Pacific	138	128	10	177
South Central	616	571	45	604
Salt	204	187	17	182
Nonsalt	413	384	29	421
Total	1,339	1,247	92	1,284

Sprague HeatCurve October-April



ICE June Brent-WTI Spread

