

Market Commentary

Recap: The oil market on Monday posted an outside trading as the market was well supported by optimism over the pace of coronavirus vaccinations in the U.S. and news that the Yemen's Iran-aligned Houthi movement said it had fired 17 drones and two ballistic missiles at Saudi targets, including towards Saudi Aramco refineries in Jubail and Jeddah. The market was also supported by a cyberattack on Iran's Natanz nuclear site. While these were reasons for the market to trade higher, market players have remained cautious as Europe, India and some emerging markets, have seen vaccine rollouts that have been slower than expected. The crude market posted a low of \$58.73 in overnight trading and rallied to a high of \$60.77 early in the session. The market however, retraced some of its early gains and traded back towards the \$59.50 level during the remainder of the session. The May WTI contract settled up 38 cents at \$59.70 while the June Brent contract settled up 33 cents at \$63.28. Meanwhile, the product markets settled slightly higher, with the heating oil market settling up 4 points at 1.8080 and the RBOB market settling up 79 points at \$1.97.

Technical Analysis: The crude market is seen continuing to trade within its recent trading range. As previously stated, breaks over \$62.27 will likely see the market trend higher, with upside seen at \$64.88, while breaks below \$57.25 will likely see the market trend towards the \$55 level. More distant support is seen at \$53.

Fundamental News: Yemen's Iran-aligned Houthi movement said it had fired 17 drones and two ballistic missiles at Saudi targets, including towards Saudi Aramco refineries in Jubail and Jeddah.

Descartes Lab reported that U.S. gasoline demand fell by 1.2% to 9.32 million bpd in the week ending April 9th. Demand has increased more than 1.8 million bpd since the Texas freeze in mid-February cut demand.

U.S. imports of European gasoline increased to the highest level in almost a month during the week ending April 8th. Weekly gasoline arrivals from Europe increased to 455,000 bpd, up from 359,000 bpd in the previous week. Twelve tankers discharged about 2.86 million barrels in the U.S. Atlantic Coast area and one cargo of 326,000 barrels arrived in the Gulf Coast. Meanwhile, the U.S. received one European jet fuel shipment of 126,000 barrels in the week ending April 8th, the first cargo since the week ending February 25th.

The amount of crude oil held around the world on tankers that have been stationary for at least 7 days fell to 105.81 million barrels in the week ending April 9th. It is down 1% from 106.9 million barrels held in the week ending April 2nd.

The number of VLCCs being used for floating storage of oil has fallen to its lowest level since at least May 26, 2020. The total number of VLCCs fell by 12 on the week to 30.

Saudi Arabia will meet most Asian customers' requirements for May-loading crude after some buyers had asked for lower volumes partly because of refinery maintenance and higher prices. The demand for lower volumes comes just as the Saudi Arabia is set to phase out additional voluntary production cuts over the next few months under plans agreed by the Organization of the Petroleum Exporting Countries and their allies including Russia to ease supply cuts.

IIR Energy reported that U.S. oil refiners are expected to shut in 1.8 million bpd of capacity in the week ending April 16th, increasing available refining capacity by 234,000 bpd from the previous week.

Early Market Call - as of 9:07 AM EDT

WTI - May \$60.38 up 68 cents

RBOB - May \$1.9824 up 1.24 cents

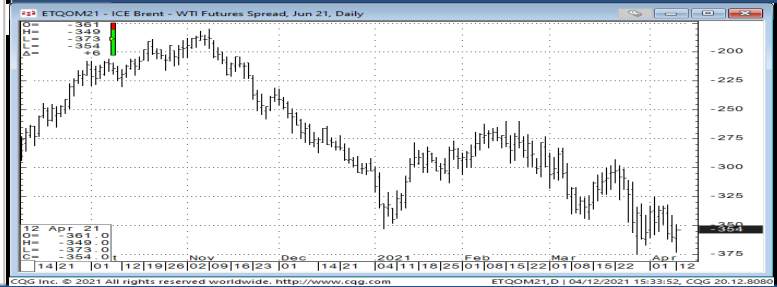
HO - May \$1.8164 up 84 points

All NYMEX | Prior Settlements

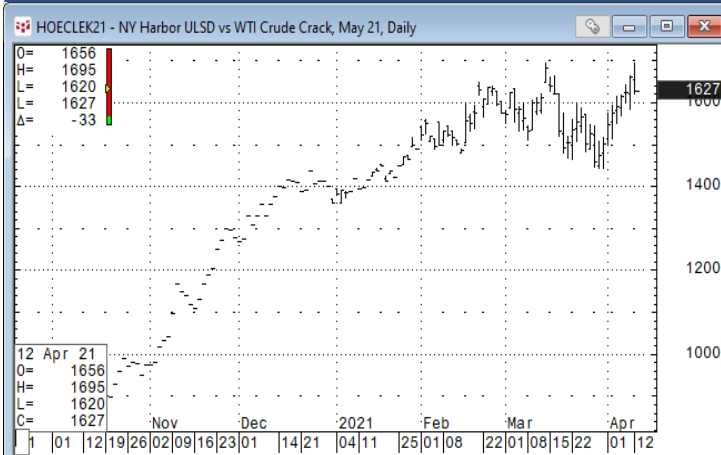
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-21	1.8080	0.0004	-0.0356
Jun-21	1.8104	0.0004	-0.0356
Jul-21	1.8133	0.0003	-0.0356
Aug-21	1.8168	0.0002	-0.0360
Sep-21	1.8212	0.0003	-0.0364
Oct-21	1.8249	0.0004	-0.0361
Nov-21	1.8281	0.0005	-0.0355
Dec-21	1.8294	0.0004	-0.0350
Jan-22	1.8320	0.0003	-0.0343
Feb-22	1.8317	0.0000	-0.0334
Mar-22	1.8273	-0.0002	-0.0329
Apr-22	1.8181	-0.0001	-0.0332
May-22	1.8137	0.0002	-0.0335
Jun-22	1.8117	0.0008	-0.0338
Jul-22	1.8151	0.0012	-0.0334
Aug-22	1.8183	0.0014	-0.0333
Sep-22	1.8217	0.0014	-0.0330

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	May Brent- WTI Spread	\$59.7500	\$0.4000
Crude - Brent		\$63.2800	\$0.3300
Natural Gas	\$3.53	\$2.5610	\$0.0350
Gasoline		\$1.9700	\$0.0079

ICE June Brent-WTI Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

