

Market Commentary

Recap: Oil prices posted a rebound on Friday, bouncing back from Thursday's plunge, as concern that the giant container ship that ran aground in the Suez Canal may block the vital shipping conduit for weeks, squeezing supplies of crude oil and refined products. Rising tensions in the Middle East also played a role, as Yemen's Houthi forces said they launched attacks on Saudi Arabian oil facilities. WTI was up as much as 5.2% on Friday, with the May contract peaking the session at \$61.36, before paring gains to settle at \$61.04 a barrel, up \$2.48, or 4.2%. Brent for May delivery added \$1.93, or 3.1%, to end the week at \$63.88 a barrel. Petroleum products also rose, with April RBOB up 5%, to \$1.98 a gallon, while April heating oil rose 3.6%, to \$1.81 a gallon.

Technical Analysis: It was a volatile trading week for WTI, which fell 4.3% on Thursday, following a 5.9% on Wednesday. Prices gyrated around the \$60 mark amid strengthening equities, optimism around COVID-19 vaccinations and the grounding of the ship container in the Suez Canal. Movement in the U.S. dollar also played a role in the week's activity. Crude oil prices continue to be caught in the cross-hairs of adverse fundamentals, as traders try to figure out the direction of this market. The May WTI contract stopped short of the 10-day moving average this week as it bounced around in what is basically a sideways. In the near term, it looks like market is going to chop around a bit, as it tries to determine which direction it wants to go in. Resistance is set at \$61.56 and above that at \$62.96. To the downside, support is seen at \$60 and below that at \$59.24.

Fundamental News: U.S. energy firms added oil and natural gas rigs this week, with the total count increasing for an eighth month. Baker Hughes reported that the oil and gas rig count increased by six to 417 in the week ending March 26th, its highest level since April last year. U.S. oil rigs increased by six to 324 this week, their highest since May, while gas rigs were unchanged at 92 for a fifth week in a row.

Goldman Sachs said it expects OPEC+ to keep its production unchanged for May when the group meets next week, "with a still large ramp-up of 3.4 million bpd expected by September". Goldman Sachs continues to view the decline in crude oil prices as "overshooting the shifts in oil fundamentals." In particular, it expects a slower increase in OPEC+ production this spring to help offset both slower emerging market and European Union demand recovery and higher Iranian exports, "with global demand still set to increase sharply through the summer".

Saudi Arabia's Defense Ministry said it plans to take deterrent actions to protect oil export facilities following a series of attacks by Yemen's Houthi group. The ministry said an oil products distribution center in the southern Saudi region of Jizan was hit by one of the attacks, causing a fire in a tank. The Saudi-led coalition battling the Houthi group said late on Thursday it had intercepted several drones aimed at Saudi Arabia, days after Riyadh presented a peace initiative that includes a nationwide ceasefire in Yemen as the war enters its seventh year.

Shipping rates for oil product tankers have nearly doubled this week and several vessels were diverted away from the Suez Canal as a container ship remained wedged between both banks. The 400 meters long Ever Given has been stuck in the canal since Tuesday and efforts are under way to free the vessel although the process may take weeks amid bad weather. The suspension of traffic through the narrow channel linking Europe and Asia has deepened problems for shipping lines that were already facing disruption and delays in supplying retail goods to consumers. Analysts expect a larger upward impact on smaller tankers and oil products, like naphtha and fuel oil exports from Europe to Asia, if the canal remained shut for weeks. More than 30 oil tankers have been waiting at either side of the canal to pass through since Tuesday.

Early Market Call - as of 8:20 AM EDT

WTI - May \$61.50, up 53 cents

RBOB - Apr \$1.9991, up 3.18 cents

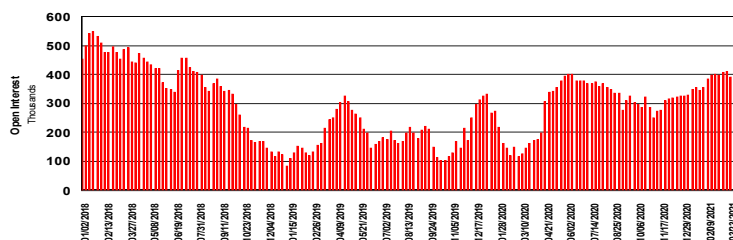
HO - Apr \$1.8192, up 92 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.8100	0.0622	0.0123
May-21	1.8114	0.0618	0.0106
Jun-21	1.8140	0.0620	0.0079
Jul-21	1.8168	0.0614	0.0063
Aug-21	1.8193	0.0608	0.0055
Sep-21	1.8225	0.0600	0.0053
Oct-21	1.8258	0.0593	0.0046
Nov-21	1.8287	0.0587	0.0037
Dec-21	1.8296	0.0582	0.0031
Jan-22	1.8320	0.0573	0.0027
Feb-22	1.8322	0.0564	0.0024
Mar-22	1.8276	0.0555	0.0022
Apr-22	1.8172	0.0542	0.0016
May-22	1.8114	0.0527	0.0010
Jun-22	1.8080	0.0513	0.0009
Jul-22	1.8105	0.0502	0.0003
Aug-22	1.8125	0.0492	-0.0003

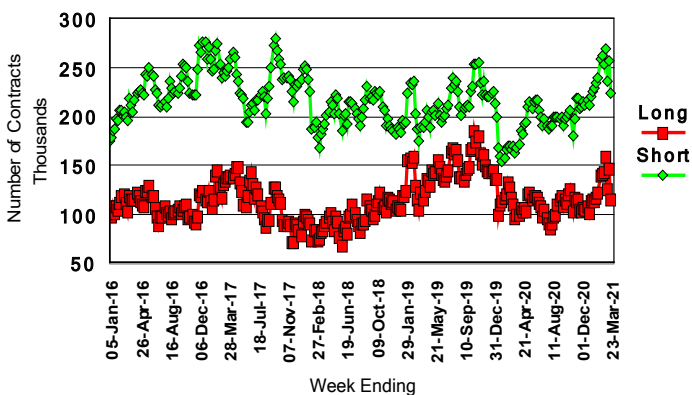
Sprague HeatCurve October 2021-April 2022		\$1.8288
	Close	Change
Crude - WTI	\$60.9700	\$2.4100
Crude - Brent	\$64.5700	\$2.6200
Natural Gas	\$2.5570	-\$0.0130
Gasoline	\$1.9673	\$0.0464

WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending March 23, 2021

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report

