

Market Commentary

Recap: Oil futures rose to the highest level in six weeks, extending early gains after the EIA reported a modest weekly build in U.S. crude oil inventories and gasoline supplies, along with data showing a significant rise in implied demand for gasoline from a year ago. Prices also received a boost from a Goldman Sachs report, predicting the largest rise in demand over the next six months. Goldman predicts that demand will rise 5.2 million barrels per day in the next six months, half again larger than any other six-month period since 2000. Traders appear to be growing more confident despite the rising number of COVID-19 cases in India and after OPEC and its allies decided to stick with plans to continue gradually easing production cuts. Focus is on the longer term state of the global economy, and on demand, which has recently shown signs of life. June WTI added 92 cents, or 1.5%, to settle at \$63.86 a barrel, while June Brent rose 85 cents, or 1.3%, to close at \$67.27 a barrel. July Brent, the most actively traded contract tacked on 91 cents, or 1.4%, to settle at \$66.78 a barrel. May RBOB added 2.6%, to nearly \$1.07 a gallon, while May heating oil rose 1.7% to \$1.94 a gallon.

Technical Analysis: WTI rose to its highest level since March 15, with the June contract pulling further away from a previous area of congestion. This market is poised to test the psychological resistance level of \$65. The relative strength index, a momentum indicator used in technical analysis to measure the magnitude of recent price changes to evaluate overbought or oversold conditions, is trending higher below overbought territory. This is viewed as an indication that this market still has more room to the upside. That being said, we would look for any slight dips in this market as buying opportunities as long as this market holds above the 50-day moving average, which is currently set at \$61.85. A break above \$65 opens up the opportunity for this market to trade toward the March high of \$66.40, with resistance beyond this level set at \$67.98. A break below the 50-day moving average will shift the momentum of this market to the downside, with \$60 the downside objective.

Fundamental News: The U.S. EIA reported that U.S. Gulf Coast weekly refinery utilization rates last week increased to 89.5%, the highest since March 2020. U.S. commercial crude imports in the week ending April 23rd increased by 1.211 million bpd to 6.6 million bpd, the highest since July 2020. It reported that Midwest gasoline stocks fell to the lowest level since October, while East Coast distillates stocks fell by 2.4 million barrels to 42.8 million barrels, the lowest level since April 2020.

Goldman Sachs sees commodities rallying another 13.5% over the next six months. It sees oil reaching \$80/barrel. It expects the largest increase in oil demand ever, with an increase of 5.2 million bpd over the next six months. It said global oil demand will increase sharply by June from 94.5 million bpd to 99 million bpd in the third quarter. It said the easing of international travel restrictions in May would hike jet fuel demand by 1.5 million bpd. It sees Brent prices averaging \$73.13/barrel and \$75/barrel in 2021 and 2022, respectively. The price of WTI is forecast at \$70.26/barrel and \$72/barrel in 2021 and 2022, respectively.

Rystad Energy revised down its global oil demand forecast for April by 600,000 bpd and by 915,000 bpd in May due to a new wave of infections in India.

Loadings of the Brent crude oil stream in the British North Sea will stop in mid-May, if no deal is reached between the United Kingdom and the Shetland Islands Council employing them. Unite officer, John Boland, said the strike could prevent tankers from loading, adding that "there is limited storage at Sullom Voe, so this could have an impact on production for the Brent and Ninian fields".

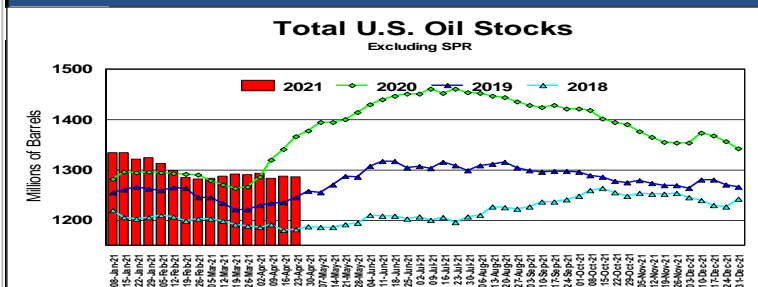
Early Market Call - as of 8:50 AM EDT

WTI - June \$65.21, up \$1.36
 RBOB - May \$2.1093, up 3.71 cents
 HO - May \$1.9704, up 3.18 cents

All NYMEX | Prior Settlements

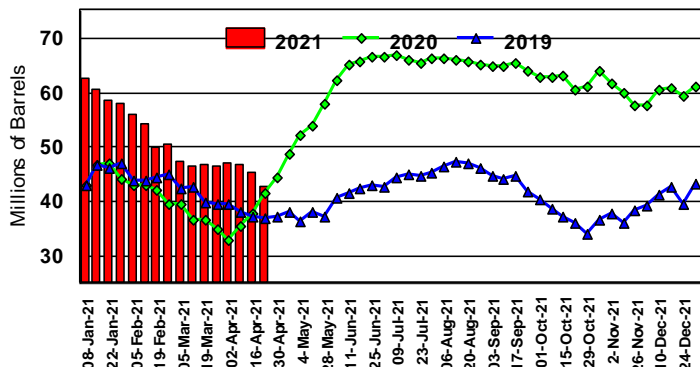
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.9386	0.0329	-0.0849
Jun-21	1.9397	0.0326	-0.0842
Jul-21	1.9412	0.0322	-0.0827
Aug-21	1.9434	0.0320	-0.0813
Sep-21	1.9473	0.0318	-0.0809
Oct-21	1.9507	0.0315	-0.0805
Nov-21	1.9532	0.0311	-0.0801
Dec-21	1.9537	0.0307	-0.0802
Jan-22	1.9541	0.0299	-0.0792
Feb-22	1.9512	0.0290	-0.0786
Mar-22	1.9441	0.0282	-0.0782
Apr-22	1.9328	0.0277	-0.0785
May-22	1.9270	0.0272	-0.0789
Jun-22	1.9231	0.0267	-0.0794
Jul-22	1.9237	0.0261	-0.0786
Aug-22	1.9243	0.0251	-0.0776
Sep-22	1.9257	0.0242	-0.0768

Sprague HeatCurve October 2021-April 2022		\$1.9497
	Close	Change
Crude - WTI	\$63.8600	\$0.9200
Crude - Brent	\$67.2700	\$0.8500
Natural Gas	\$2.9250	\$0.0520
Gasoline	\$2.0722	\$0.0518



Weekly EIA Petroleum Status Report for the Week Ending April 23, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 90,000 barrels
 Cushing, OK Crude Stocks Up 722,000 barrels
Gasoline Stocks Up 92,000 barrels
Distillate Stocks Down 3.342 million barrels
Refinery % Operated 85.4%, Up 0.4%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Apr 23, 2021	Week Ending Apr 16, 2021	Week Ending Apr 24, 2020
New England	8.6	8.9	8.2
Central Atlantic	22.0	22.6	20.9
Total PADD #1	42.8	45.2	44.4
Distillate Imports (thousands b/d)	105	114	212