

Market Commentary

Recap: Crude oil prices bounced back on Tuesday after the Saudi energy minister said a deal between OPEC and other major producers to curb output could be extended to the end of 2019 and as political tensions in Venezuela heated up. June Brent climbed 1.7 percent to a session high of \$73.27 by 8:43 am ET, while June WTI traded at a high of \$64.75, for a gain of 1.9 percent. Prices slid from session highs as market participants became less concerned that the political uprising in Venezuela would affect the country's oil exports. By 11:08 am ET, June Brent slipped 0.9 percent to an intraday low of \$72.58, while June WTI slid to a session low of \$63.30. Losses were pared, with Brent falling into a 12 cent trading range of \$72.91 to \$72.79 before settling at \$72.80 a barrel, up 76 cents, or 1.05 percent. June WTI worked its way back above \$64.00 but was unable to sustain itself. This spot contract settled at \$63.91 a barrel, up 41 cents, or 0.65 percent. May RBOB added 1.9% to \$2.123 a gallon, with the contract up 12% for the month. May heating oil added 1.3% to \$2.081 a gallon, with prices scoring a monthly rise of 5.5%. The May contracts expired at Tuesday's settlement.

Technical Analysis: For the third straight session, WTI failed at the 10-day moving average, which is currently set at \$64.56. This spot contract is currently trading between the 10 and 200-day moving averages, toward the bottom range of the ascending channel. At this point in time, we would not discount a test back at the channel bottom, but do not believe that the trend will be broken and therefore would look for a technical bounce. Support is set at \$61.11 and below that at \$60.78, the channel bottom. Resistance is set at \$64.75 and above that at the psychological level of \$65.00.

Fundamental News: Iran's President, Hassan Rouhani, said Iran will continue to export oil despite US pressure aimed at reducing the country's crude shipments to zero. He said if the US can block one method for Iran to export its crude, Iran will find other ways to do so.

Belarus' state news agency, Belta, cited an operator of the Belarussian section of the Druzhba pipeline as saying that that pipelines in Russia, Belarus, Ukraine and Poland are estimated to contain 5 million tons of contaminated Russian oil. The first deputy head of Gomeltransneft Druzhba, Andrei Verigo, said the pipeline would reach 60-65% of its average annual capacity on May 10-11 and added that it could take up to six months before the pipeline resumes full capacity.

Venezuela's President, Nicolas Maduro, said he had spoken with military leaders and they had shown their total loyalty. Venezuela's opposition leader, Juan Guaido, called for a military uprising to oust President Nicolas Maduro and armed factions exchanged gunfire outside a Caracas air base.

Saudi Arabia's Energy Minister, Khalid al-Falih, said Saudi Arabia will not rush to increase its oil supply to make up for a loss of Iranian crude due to US sanctions and will continue to comply with the OPEC and non-OPEC output cut agreement, which could be extended to the end of 2019.

According to Reuters survey, OPEC's oil supply may hit a four-year low in April due to further involuntary declines in Iran and Venezuela and output restraint by Saudi Arabia. The Reuters survey showed that OPEC produced 30.23 million bpd in April, down 90,000 bpd from March and the lowest OPEC total since 2015.

The EIA reported that US oil production in February fell by 187,000 bpd to 11.683 million bpd, compared with a revised 11.87 million bpd in January. It reported that North Dakota's oil production fell by 64,000 bpd. Production in Texas increased by 61,000 bpd, while offshore Gulf oil production fell by 187,000 bpd. Total US demand for oil in February increased by 2.9% or 575,000 bpd to 20.2 million bpd.

Early Market Call - as of 8:05 AM EDT

WTI - June \$63.51, down 40 cents
 RBOB - June \$2.0744, up 78 points
 HO - June \$2.0780, up 1 point

All NYMEX | Prior Settlements

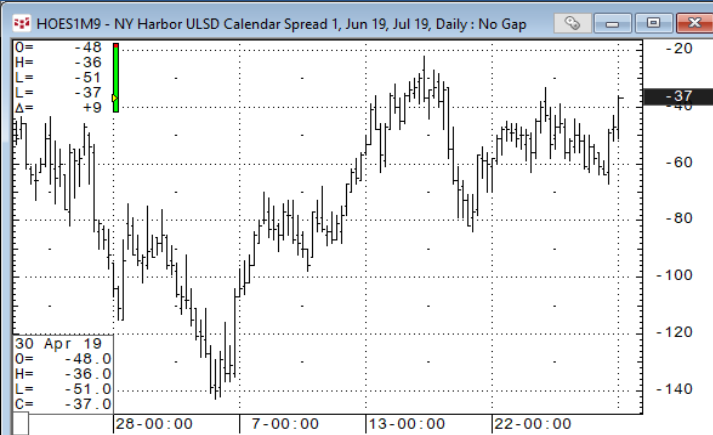
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-19	2.0812	0.0263	-0.0368
Jun-19	2.0779	0.024	-0.0423
Jul-19	2.0817	0.0232	-0.0444
Aug-19	2.0876	0.0222	-0.0453
Sep-19	2.0967	0.0212	-0.046
Oct-19	2.1061	0.0208	-0.046
Nov-19	2.1132	0.0206	-0.0461
Dec-19	2.1183	0.0206	-0.0458
Jan-20	2.1216	0.0202	-0.0453
Feb-20	2.1182	0.0199	-0.0444
Mar-20	2.1092	0.0194	-0.0435
Apr-20	2.0942	0.0192	-0.042
May-20	2.0833	0.0189	-0.0401
Jun-20	2.0757	0.0185	-0.0381
Jul-20	2.0711	0.018	-0.0364
Aug-20	2.0672	0.0175	-0.0351
Sep-20	2.0644	0.0169	-0.0346

Sprague HeatCurve Oct 2019-Apr 2020		\$2.1140
Other Front Month NYMEX		Close
Crude - WTI	June Brent- WTI Spread	\$63.9100
Crude - Brent		\$72.8000
Natural Gas	\$8.89	\$2.5750
Gasoline		\$2.1232
		\$0.4100
		\$0.7600
		-\$0.0180
		\$0.0404

API Weekly Report for the Week Ending April 26, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 6.8 million barrels	Up 1.5 million barrels
Cushing, OK Crude Stocks	Up 1.5 million barrels	Up 80,000 barrels
Gasoline Stocks	Down 1.1 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 2.1 million barrels	Down 193,00 barrels
Refinery Runs	Up 125,000 bpd	Up 0.6% at 88.3%

NYMEX Heating Oil June-July Spread



NYMEX RBOB June-July Spread

