



MarketWatch | Refined Products

Monday, April 26, 2021

Market Commentary

Recap: Oil futures erased some of its losses made this week, as perhaps it was a bit overdone to the downside. Bullish economic data out of the U.S. and Europe boosted prices, however, the continued rise in the number of coronavirus cases across the globe kept a lid on prices. June Brent crude settled up 71 cents, or 1.097%, to \$66.11 a barrel, while June WTI gained 71 cents, or 1.16%, to \$62.14 a barrel. For the week, both benchmarks fell about 1% due to the resurgence of infections in India and Japan, the world's third and fourth largest oil importers. Further supporting prices is the fact that U.S. oil drillers cut the number of operating rigs, the first cut in five weeks. Drillers had been adding to the number of rigs, which had been up 80% since falling to a record low of 244 in August 2020. After a four month rise, mostly on the heels of the U.S. vaccine rollout, prices are beginning to stabilize as the trading world awaits the full effect all this will have on demand. May RBOB added 1.1%, to settle at \$1.9957 a gallon, down 2.2% on the week. May heating oil tacked on 0.7%, to close at \$1.87 a gallon, ending the week down 1.2%.

Technical Analysis: After a choppy trading session this past week, WTI settled back into the previous period of consolidation as signs of exhaustion took hold of this market. Lots of uncertainty surrounds this market as the number of coronavirus cases continues to climb. A break above the \$65 could see this market back toward the March high of \$67.98, but it's going to be a struggle. To the downside a push below \$60 will most likely trigger psychological stops and could get ugly pretty quickly.

Fundamental News: U.S. energy firms cut the number of oil rigs operating for the first time since March. Baker Hughes reported that U.S. oil rigs fell by one to 343 in the week ending April 23rd, while gas rigs remained unchanged at 94. The U.S. oil and gas rig count, an early indicator of future output, fell by one to 438 this week.

Libya's oil production fell to about 1 million bpd from 1.3 million bpd as the country's central bank refuses to pay out money for oil sales.

According to preliminary loading programs, exports of four of Nigeria's main crude oil grades are estimated to increase to 761,000 bpd in June from 736,000 bpd planned in May.

California Gov. Gavin Newsom on Friday directed state agencies to end new fracking permits by 2024 and to analyze how to phase out oil and gas extraction by no later than 2045.

Gulf Coast gasoline for Colonial Pipeline loading outside Houston increased after outages and shutdowns at gasoline units at Motiva's Port Arthur, Texas refinery, Marathon's Galveston Bay refinery and Phillips 66's Alliance, Louisiana refinery. CBOB increased 63 cents to NYMEX June gasoline -11.63 cents/gallon, while RBOB increased 63 cents to NYMEX June gasoline -4.75 cents/gallon.

U.S. factory activity increased in early April, but manufacturers increasingly struggled to source raw materials and other inputs as a reopening economy leads to a rise in domestic demand. IHS Markit said its flash U.S. manufacturing PMI increased to 60.6 in the first half of this month. The IHS Markit flash services sector PMI increased to 63.1, the highest since the series started in October 2009, from a final reading of 60.4. The survey's flash composite PMI output index, which tracks the manufacturing and services sectors, rebounded to 62.2.

Early Market Call - as of 8:20 AM EDT

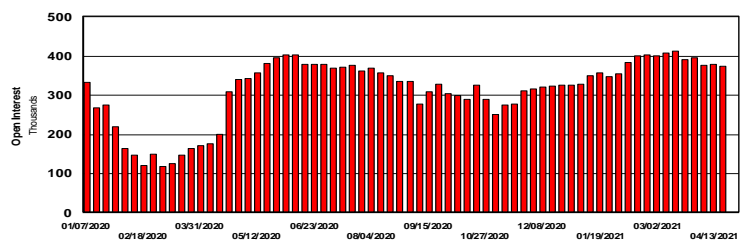
WTI - June \$61.18, down 96 cents
 RBOB - May \$1.9574, down 3.83 cents
 HO - May \$1.8499, down 2.36 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8735	0.0127	0.0222
Jun-21	1.8757	0.0128	0.0218
Jul-21	1.8783	0.0128	0.0220
Aug-21	1.8817	0.0126	0.0214
Sep-21	1.8864	0.0129	0.0205
Oct-21	1.8901	0.0128	0.0202
Nov-21	1.8929	0.0128	0.0199
Dec-21	1.8936	0.0129	0.0195
Jan-22	1.8949	0.0130	0.0188
Feb-22	1.8929	0.0130	0.0183
Mar-22	1.8865	0.0130	0.0179
Apr-22	1.8754	0.0132	0.0171
May-22	1.8697	0.0135	0.0158
Jun-22	1.8658	0.0138	0.0145
Jul-22	1.8671	0.0137	0.0144
Aug-22	1.8687	0.0136	0.0140
Sep-22	1.8711	0.0136	0.0133

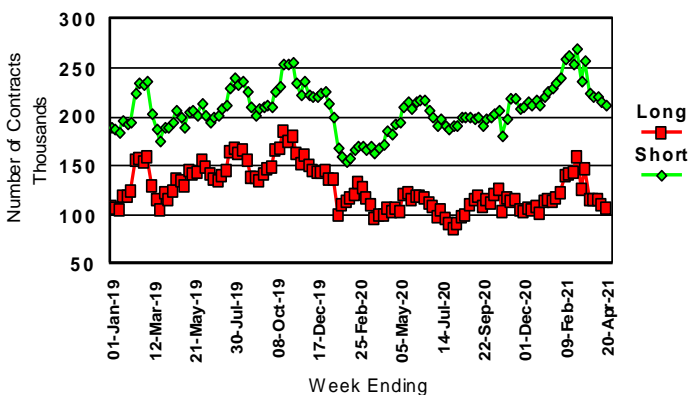
Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.97	\$62.1400	\$0.7100
Crude - Brent		\$66.1100	\$0.7100
Natural Gas		\$2.7300	-\$0.0190
Gasoline		\$1.9957	\$0.0210

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

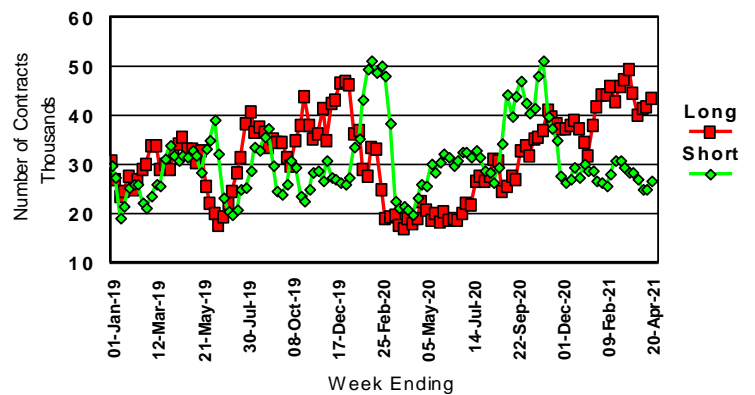


Commitment of Traders Report for the Week Ending April 20, 2021

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report



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