

## Market Commentary

**Recap:** Oil prices slipped on Monday, pulling back from earlier gains nurtured by strong Chinese economic news and ongoing supply restraint from OPEC+. China's industrial output growth quickened in January-February, beating expectations, while its daily refinery throughput data rose 15% from a year earlier. Brent crude failed to hold above the key \$70 level after briefly breaching it. A new round of lockdowns in Europe, amid an increase in COVID-19 cases, has raised concerns over a possible setback in energy demand. Brent for May delivery fell 34 cents, or 9.5%, to settle at \$68.88 a barrel, after topping the session at \$70.03. April WTI lost 22 cents, or 0.3%, to settle at \$65.29 a barrel. April RBOB ended down 2.1%, to settle at \$2.11 a gallon, while April heating oil lost 1%, to settle at \$1.95 a gallon.

**Technical Analysis:** With WTI posting a reversal top last week, the minor trend of the market has shifted to the downside. The April contract bounced off the 10-day moving average, currently set at \$64.13. A push below this average should see follow-through selling with the possibility of reaching \$63.10. Should we get below this level; the major trend will shift to the downside, putting \$60 within view. Resistance is set at \$66.40 and above that at \$67.98

**Fundamental News:** A Galveston Texas Pilots dispatcher said operations at the Houston ship channel were suspended early on Monday morning due to dense fog in the region.

BOFA Global Research raised its Brent oil forecast by \$3-\$5/barrel to \$63/barrel in 2021 and \$60/barrel from 2022 onwards. It raised its 2021 WTI forecast by \$3/barrel to \$60/barrel and its 2022 forecast by \$5/barrel to \$57/barrel.

Rystad Energy reported that crude oil production from non-OPEC+ countries will fall by about 833,000 bpd in April and by 800,000 bpd in May due to seasonal maintenance work. Declines are mainly from shutdowns at major oil sands projects in Canada and offshore crude fields in Norway and the U.K.

The National Bureau of Statistics reported that China's crude oil production in the first two months increased by 0.4% from a year earlier to 32.08 million tons, or 3.97 million bpd. That compared with an average of 3.89 million bpd for 2020. Meanwhile, China's natural gas output expanded by 13.5% in January-February from a year earlier to 34.8 billion cubic meters, extending a jump that saw near 10% growth for full-year 2020.

Colonial Pipeline is offering a temporary discount to transport oil products from Houston and Hebert origins to Beaumont, Texas.

Reuters reported the United States reported a 22% decline in deaths from COVID last week, while vaccinations reached 2.4 million shots per day. The number of new COVID cases being reported each week has dropped for nine straight weeks in the United States.

**Early Market Call - as of 8:25 AM EDT**

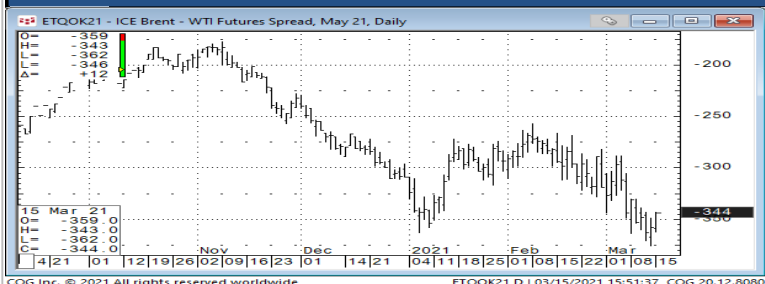
WTI - Apr \$64.43, down 95 cents  
 RBOB - Apr \$2.0900, down 1.46 cents  
 HO - Apr \$1.9269, down 2.20 cents

## All NYMEX | Prior Settlements

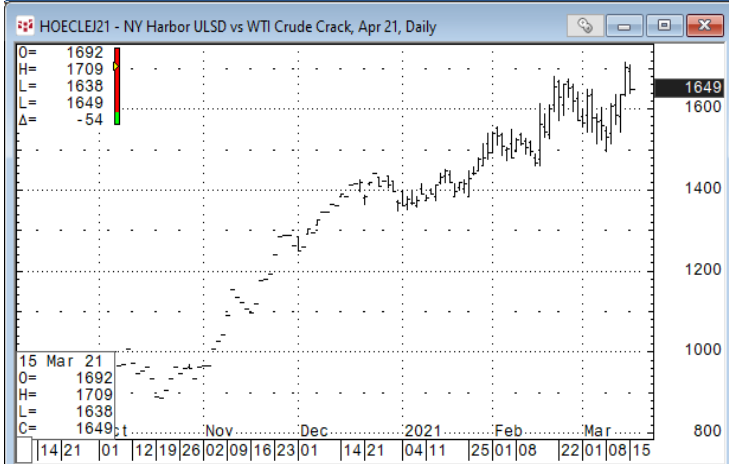
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-21	1.9489	-0.0186	-0.0404
May-21	1.9474	-0.0164	-0.0383
Jun-21	1.9442	-0.0154	-0.0353
Jul-21	1.9415	-0.0151	-0.0331
Aug-21	1.9395	-0.0151	-0.0321
Sep-21	1.9384	-0.0148	-0.0316
Oct-21	1.9378	-0.0144	-0.0311
Nov-21	1.9369	-0.0144	-0.0302
Dec-21	1.9344	-0.0142	-0.0295
Jan-22	1.9332	-0.0140	-0.0288
Feb-22	1.9298	-0.0139	-0.0285
Mar-22	1.9216	-0.0137	-0.0291
Apr-22	1.9068	-0.0135	-0.0300
May-22	1.8971	-0.0139	-0.0303
Jun-22	1.8898	-0.0142	-0.0311
Jul-22	1.8885	-0.0142	-0.0314
Jul-22	1.8871	-0.0145	-0.0313

Sprague HeatCurve October 2021-April 2022		\$1.9294
	Close	Change
Crude - WTI	\$65.4400	-\$0.2000
Crude - Brent	\$68.8800	-\$0.3400
Natural Gas	\$2.4840	-\$0.1160
Gasoline	\$2.1046	-\$0.0454

### ICE May Brent-WTI Spread



## April Heating Oil Crack Spread



## April RBOB Crack Spread

