

## Market Commentary

**Recap:** In a surprise move, oil futures rose on Thursday, despite OPEC+ deciding to gradually increase crude output by adding 350,000 barrels per day starting in May and over the next three months. Citing a slow tightening between supply and demand, and forecasts for a strong recovery in demand for the U.S. and total global demand, the group decided to peel back on output cuts. Time will tell whether or not the market can absorb the extra barrels over the next three months however, these barrels were expected to return at some point. May WTI added \$2.29, or 3.9%, to settle at \$61.45 a barrel, while June Brent tacked on \$2.12, or 3.4%, to settle at \$64.86 a barrel. May RBOB added 3.2%, to close at \$2.02 a gallon, while May heating oil tacked on 3.5%, to settle at \$1.83 a gallon.

**Technical Analysis:** WTI is trending in a symmetrical triangle. This pattern represents a period of consolidation before prices are forced to breakout or breakdown. As of now, the May WTI is heading for the top of this formation. A break to the upside puts this market in line to test the \$65. Should we get a bounce off of this line and head toward the bottom of this pattern, a break below the bottom line will set this market up for a run at \$57.25. Keep an eye on the 10 and 50-day moving averages, as the gap between them is narrowing. Should the 10-day cross below the 50-day, a rash of selling should show up.

**Fundamental News:** OPEC+ agreed to increase its oil production gradually over the coming months. The group agreed to ease production cuts by 350,000 bpd in May, another 350,000 bpd in June and a further 441,000 bpd or so in July. Saudi Arabia will rollback its voluntary 1 million bpd cut during the three month period. It will ease its output cut by 250,000 bpd in May, by 350,000 bpd in June and 400,000 bpd in July. Under the deal, oil cuts implemented by OPEC+ would be just above 6.5 million bpd from May compared with existing cuts of slightly below 7 million bpd in April. OPEC+ will continue to assess oil market conditions monthly and decide to adjust production for the following months by no more than 500,000 bpd.

Earlier, Saudi Arabia's Energy Minister, Abdulaziz bin Salman, said the oil market recovery is far from complete. He said oil producers should maintain a cautious stance. He added that continuing a flexible approach serves us best.

Russia's Deputy Prime Minister, Alexander Novak, said that he hoped global oil inventories would return to their normal level in 2-3 months. He also said Russia will gradually increase its oil output in May-July in accordance with the decision of the OPEC+ group of leading oil producers. He added that Russia's cumulative increase is seen at 114,000 bpd during that period.

The United States reaffirmed the importance of international cooperation to ensure affordable and reliable sources of energy for consumers during a phone conversation with Saudi Arabia ahead of the OPEC meeting. U.S. Energy Secretary Jennifer Granholm said on Twitter she had a call with Saudi Energy Minister Abdulaziz Bin Salman. Saudi State News Agency reported that Saudi Arabia's Oil Minister and U.S. Energy Secretary spoke on the phone and agreed to work closely to enforce cooperation in the energy field.

**Early Market Call - as of 8:15 AM EDT**  
 WTI - May \$59.76, down \$1.69  
 RBOB - May \$1.9699, down 5.24 cents  
 HO - May \$1.78886, down 4.3 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-21	1.8316	0.0618	-0.0820
Jun-21	1.8344	0.0616	-0.0824
Jul-21	1.8370	0.0609	-0.0816
Aug-21	1.8397	0.0603	-0.0812
Sep-21	1.8435	0.0601	-0.0810
Oct-21	1.8470	0.0599	-0.0805
Nov-21	1.8501	0.0600	-0.0801
Dec-21	1.8515	0.0600	-0.0801
Jan-22	1.8540	0.0599	-0.0793
Feb-22	1.8539	0.0596	-0.0781
Mar-22	1.8490	0.0594	-0.0769
Apr-22	1.8385	0.0595	-0.0755
May-22	1.8325	0.0594	-0.0738
Jun-22	1.8287	0.0593	-0.0720
Jul-22	1.8312	0.0590	-0.0709
Aug-22	1.8333	0.0587	-0.0700
Sep-22	1.8357	0.0583	-0.0692

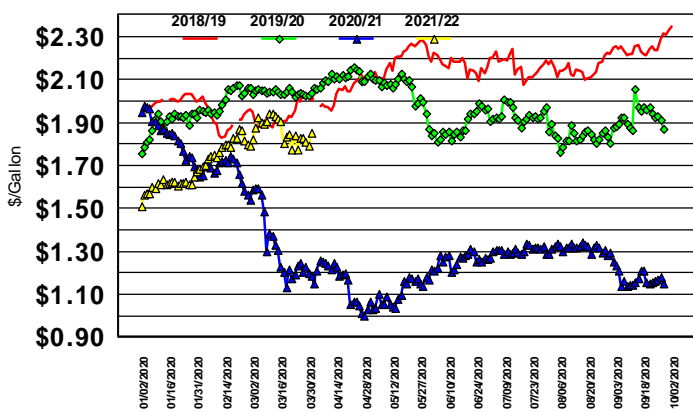
Sprague HeatCurve October 2021-April 2022		\$1.8505
	Close	Change
Crude - WTI	\$61.4500	\$2.2900
Crude - Brent	\$64.8600	\$2.1200
Natural Gas	\$2.6390	\$0.3100
Gasoline	\$2.0223	\$0.0626

## EIA Working Gas Storage Report

	26-Mar-21	19-Mar-21	Change	26-Mar-2020
East	307	307	0	384
Midwest	401	405	-4	478
Mountain	112	112	0	92
Pacific	194	193	1	197
South Central	749	734	15	838
Salt	226	215	11	256
Nonsalt	523	519	4	583
Total	1,764	1,750	14	1,989

## Sprague HeatCurve October-April

### Sprague HeatCurve October-April



## WTI Continuation

