

Market Commentary

Recap: Oil futures continued to trade within the \$5 range that had been established as of the agreement between OPEC and other major producers to cut back on output. March WTI climbed aboard the rollercoaster once again, beginning the session on the ascending leg of its three month journey within the aforementioned range, only to freefall to the session's low of \$52.68. Prices regained traction as the dollar weakened, March WTI finished the session, up 25 cents, or 0.47%, to settle at \$53.36. April Brent settled at \$55.65 a barrel, down 10 cents, or 0.18%.

March RBOB settled at \$1.525 a gallon, down 2.3 cents, or 1.5%, while March heating oil finished down less than half a cent at \$1.629 a gallon.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma fell by 2 million barrels in the week ending February 13th.

OPEC sources stated that OPEC could extend its oil supply reduction agreement with non-members or even apply deeper cuts from July if global oil inventories fail to drop to a targeted level. The sources said, producing countries must comply 100% with the supply agreement and growth in demand for crude will have to remain high for global petroleum inventories to fall by about 300 million barrels to the five year average. OPEC is scheduled to meet on May 25th to decide on supply policy.

Russia's Energy Minister, Alexander Novak, said Russian crude producers may cut oil production by more than 100,000 bpd this month, more than initially planned under the OPEC deal. He said Russia will honor its promise to cut oil production and expects other producers to do the same. He said also Russia will achieve its required 300,000 bpd cut in May and June. The Oil Minister however stated that Russia may increase its oil exports by between 4% and 5.5% this year to 265-269 million tons.

The head of Kuwait Oil Co, Jamal Jaafar, said the country is sticking with plans to add 500,000 bpd of oil production capacity as it prepares for the eventual expiration of the output quotas OPEC adopted to help cut the global oversupply. He said KOC plans to raise the country's oil output from its current level of 3.15 million bpd.

Iran's Deputy Oil Minister, Amir Hossein Zamania, said the country is currently exporting an average of 2.086 million bpd and 484,000 bpd of condensate.

Bloomberg reported that Iraqi crude shipments increased by 3% in the first half of February to 3.93 million bpd. It is 122,000 bpd more than the average for all of January. Shipments from the southern Iraqi port of Basra increased by 10% while sales by the Kurdish Regional Government increased by 13%.

Angola's crude oil exports in April are expected to increase to 1.691 million bpd, according to a provisional loading plan. Angola exported 1.73 million bpd of crude in 2016, down 2% from the previous year. It exported a total of 631,475,774 barrels of crude at an average of \$40.54/barrel.

Gasoline stocks held in the Amsterdam-Rotterdam-Antwerp hub in the week ending February 16th increased by 22.9% on the week but fell by 3.65% on the year to 1.213 million tons. Gasoil stocks fell by 2.81% on the week and by 9.99% on the year to 3.081 million tons.

Early Market Call - as of 9:00 AM EDT

WTI - Mar \$53.00, down 36 cents

RBOB - Mar \$1.4878, down 3.69 cents

HO - Mar \$1.6147, down 1.44 cents

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-17	\$1.6291	-\$0.0014	-0.0124
Apr-17	\$1.6407	-\$0.0018	-0.0093
May-17	\$1.6503	-\$0.0032	-0.0083
Jun-17	\$1.6596	-\$0.0047	-0.0082
Jul-17	\$1.6708	-\$0.0055	-0.0074
Aug-17	\$1.6817	-\$0.0058	-0.0060
Sep-17	\$1.6928	-\$0.0057	-0.0050
Oct-17	\$1.7031	-\$0.0055	-0.0052
Nov-17	\$1.7123	-\$0.0051	-0.0059
Dec-17	\$1.7197	-\$0.0046	-0.0063
Jan-18	\$1.7272	-\$0.0041	-0.0066
Feb-18	\$1.7292	-\$0.0041	-0.0073
Mar-18	\$1.7240	-\$0.0041	-0.0073
Apr-18	\$1.7104	-\$0.0040	-0.0070
May-18	\$1.7032	-\$0.0039	-0.0076
Jun-18	\$1.7000	-\$0.0037	-0.0080

Sprague HeatCurve Oct 2017-April 2018* \$1.7208

* Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$1.90	\$53.7500	\$0.1500
Crude - Brent		\$55.6500	-\$0.1000
Natural Gas		\$2.8540	-\$0.0710
Gasoline		\$1.5247	-\$0.0232

EIA Natural Gas Storage Report

	EIA Weekly Report		Change	Year Ago
	10-Feb-17	03-Feb-17		
East	479	520	-41	583
Midwest	642	685	-43	703
Mountain	150	155	-5	148
Pacific	205	208	-3	256
South Central	969	991	-22	1,057
Salt	332	338	-6	293
Nonsalt	636	654	-18	764
Total	2,445	2,559	-114	2,748

Sprague HeatCurve Winter 2017/18

ICE April WTI-Brent Spread

