

Market Commentary

Recap: Oil prices rose more than 2% on Wednesday as demand worries eased with a slowing of new coronavirus cases in China and supply curtailed by a U.S. move to cut more Venezuelan crude from the market and after the U.S. imposed sanctions on an arm of Russian oil giant Rosneft and as the reported number of new daily cases of China's coronavirus declined. March WTI rose \$1.24, or 2.4%, to settle at \$53.29 a barrel. The March contract expires at Thursday's settlement. April Brent added \$1.37, or 2.4%, to \$59.12 a barrel. March RBOB added 3% to \$1.6633 a gallon and March heating oil rose 2.1% to \$1.7068 a gallon.

Technical Analysis: March WTI came down to test \$51.94, the 10-day moving average, but its inability to break below it was followed by a fresh round of technical buying. This spot contract gained enough momentum to push through \$53.00 for the first time in almost 3 weeks. With moving oscillators trending higher and not yet in overbought territory, we would look for a push toward the 50-day moving average which is currently set at \$54.81. Above this average, additional resistance is set at \$55.99. To the downside, support is set at \$52.50 and below that at \$51.94.

Fundamental News: S&P Global Ratings said it expected the coronavirus to deliver a "short-term blow" to economic growth in China in the first quarter, echoing findings by the IEA.

Russia said that new US sanctions on a subsidiary of Russia's Rosneft over Venezuela were a violation of international law and that they would not affect Russia's ties with Venezuela.

Rosneft's Vice President, Otabek Karimov, said the company's oil supplies to China are stable and unaffected by the coronavirus epidemic. He also stated that Venezuela was paying its debt to Rosneft on schedule.

BP halted production at its ETAP platform, which connects seven oil and gas fields in the British North Sea with the Forties Pipeline System and the CATS gas terminal, following a problem with its power generation system.

The Norwegian Petroleum Directorate said Norway's oil production is expected to be 6.7% higher at the end of this year than at the end of 2019. It expects daily oil output to increase to 1.76 million bpd in July and to 1.87 million bpd in December. Norway's oil production fell in January, lagging official forecast by 6.6%, while gas production was also down. Norway's crude production in January stood at 1.64 million bpd, down 6.8% on the month but up 12.1% from a year ago.

IIR Energy reported that US oil refiners are expected to shut in 673,000 bpd of capacity in the week ending February 21st, increasing available refining capacity by 68,000 bpd from the previous week. Offline capacity is expected to fall to 578,000 bpd in the week ending February 28th.

According to minutes of the Federal Reserve's last policy meeting, Federal Reserve policymakers were cautiously optimistic about their ability to hold interest rates steady this year, even as they acknowledged new risks caused by the coronavirus outbreak. Fed members at the January 28-29 FOMC meeting saw distribution of risks to economic activity as somewhat more favorable than at its previous meeting.

Early Market Call - as of 8:45 AM EDT

WTI - Mar \$53.75, up 42 cents

RBOB - Mar \$1.6750, up 1.25 cents

HO - Mar \$1.7052, down 23 points

All NYMEX | Prior Settlements

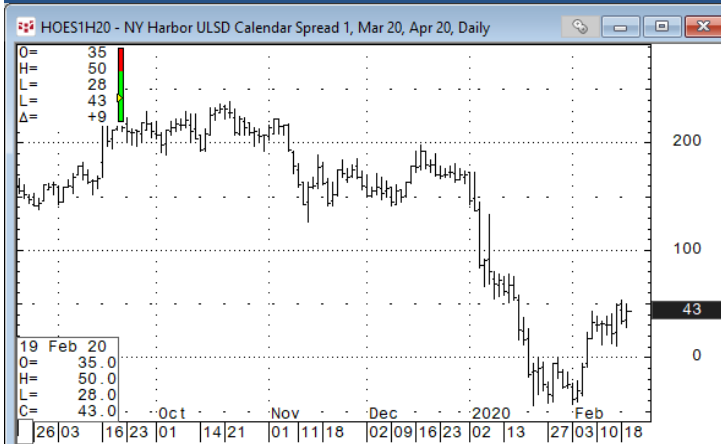
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-20	1.7068	0.0344	-0.0311
Apr-20	1.7021	0.0331	-0.0294
May-20	1.6987	0.0324	-0.0287
Jun-20	1.6991	0.0320	-0.0282
Jul-20	1.7031	0.0317	-0.0275
Aug-20	1.7101	0.0315	-0.0276
Sep-20	1.7192	0.0313	-0.0281
Oct-20	1.7279	0.0309	-0.0283
Nov-20	1.7354	0.0300	-0.0281
Dec-20	1.7407	0.0293	-0.0271
Jan-21	1.7458	0.0288	-0.0262
Feb-21	1.7470	0.0284	-0.0251
Mar-21	1.7424	0.0276	-0.0241
Apr-21	1.7331	0.0268	-0.0235
May-21	1.7313	0.0259	-0.0232
Jun-21	1.7311	0.0248	-0.0230
Jul-21	1.7347	0.0242	-0.0225

Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent-	\$53.4900	\$1.2000
Crude - Brent	WTI Spread	\$59.1200	\$1.3700
Natural Gas	\$5.63	\$1.9550	-\$0.0260
Gasoline		\$1.6633	\$0.0485

API Report for the Week Ending February 14, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 4.2 million barrels	Up 3.3 million barrels
Cushing, OK Crude Stocks	Up 421,000 barrels	
Gasoline Stocks	Down 2.67 million barrels	Up 300,000 barrels
Distillate Stocks	Down 2.63 million barrels	Down 1.6 million barrels
Refinery Runs	Up 32,000 b/d	Down 0.8% at 87.2%
Crude Imports	Up 105,000 b/d	

Heating Oil Mar-Apr Spread



RBOB Mar-Apr Spread

