

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures traded sideways within a narrow range on Friday, gravitating around the unchanged level for most of the session. Despite Saudi Arabia shaving 400,000 barrels per day of production during the month of January, oil prices remained under pressure. With the OPEC's long awaited production cuts being factored into the market, traders have begun to focus on demand, and the impact the slowing global economy will have on it. This has worked to keep a lid on prices. March WTI settled at \$52.72 a barrel, up 8 cents, or .15 percent. It lost about 4.6% for the week--the largest weekly percentage loss for a front-month contract since the week ended Dec. 21. Brent for April delivery tacked on 47 cents, or .76 percent, to settle at \$62.10 a barrel. March RBOB settled at \$1.4464, up .0206, while March heating oil settled at \$1.9085, up .0080.

Technical Analysis: WTI remains range bound, holding roughly within a \$5.00 range. False breakouts have left technical traders questioning their next move. With moving oscillators pointing to the downside, and a lower weekly close, we would look for prices to begin the week trading to the downside. Support is set at \$50.95, the current 50-day moving average and \$50.00. Resistance is seen at \$54.23 and above that at \$55.75.

Fundamental News: Baker Hughes reported that US energy firms increased the number of oil rigs operating for the second time in three weeks. Drillers added 7 oil rigs in the week ending February 8th, bringing the total count to 854.

According to Oil Movements, OPEC shipments will increase by 470,000 bpd to 24.94 million bpd in the four weeks ending February 23rd. Mideast shipments, including Oman and Yemen, will increase by 60,000 bpd to 17.74 million bpd. Crude on tankers will fall by 31 million barrels to 678 million barrels.

A senior Trump administration official said the US does not support market-distorting behavior, including cartels, when asked whether President Donald Trump would support a bill targeting the OPEC production group for oil supply cuts. The official said US national security depends on affordable energy. A House Judiciary Committee on Thursday unanimously passed the No Oil Producing and Exporting Cartels or NOPEC, bill. However it was uncertain whether it would get a full vote in the House.

Libya's National Oil Corp's Chairman, Mustafa Sanalla, urged all parties to avoid escalation at the El Sharara oilfield and said it would not resume normal operations until security had been restored. He said worker safety remained its primary concern. The eastern-based Libyan National Army said on Wednesday it had seized the 315,000 bpd field from tribesmen and protesters who forced operations to halt when they took the site on December 8th.

IIR Energy reported that US oil refiners are expected to shut in 1.8 million bpd of capacity in the week ending February 8th, cutting available refining capacity by 629,000 bpd from the previous week. IIR expects offline capacity to fall to 1.3 million bpd in the week ending February 15th.

TransCanada Corp said an oil leak near St. Louis, Missouri likely originated from its Keystone pipeline, with no projected restart timetable for the portion of the line that remains shut. The leak volume is estimated at 43 barrels of crude oil on land. The spill and subsequent shutdown of portions of Enbridge's Platts pipeline and the Keystone line raised fresh concerns about pipeline safety, and about the already constricted flow of Canadian oil to US refineries. TransCanada told Keystone shippers on Thursday that it was declaring force majeure on shipments affected by the shutdown.

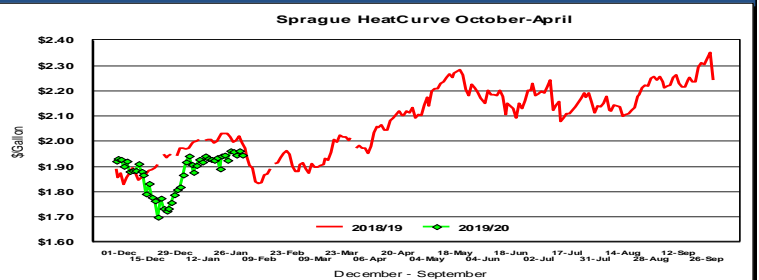
Early Market Call - as of 8:05 AM EDT

WTI - Mar \$52.42, down 30 cents
 RBOB - Mar \$1.4479, up 11 points
 HO - Mar \$1.9158, up 72 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-19	\$1.9085	\$0.0080	-\$0.0042
Apr-19	\$1.9011	\$0.0075	-\$0.0062
May-19	\$1.8969	\$0.0073	-\$0.0079
Jun-19	\$1.8978	\$0.0071	-\$0.0097
Jul-19	\$1.9043	\$0.0066	-\$0.0116
Aug-19	\$1.9116	\$0.0064	-\$0.0135
Sep-19	\$1.9206	\$0.0063	-\$0.0145
Oct-19	\$1.9294	\$0.0060	-\$0.0148
Nov-19	\$1.9387	\$0.0056	-\$0.0146
Dec-19	\$1.9472	\$0.0054	-\$0.0140
Jan-20	\$1.9541	\$0.0049	-\$0.0137
Feb-20	\$1.9557	\$0.0047	-\$0.0129
Mar-20	\$1.9535	\$0.0042	-\$0.0120
Apr-20	\$1.9439	\$0.0038	-\$0.0114
May-20	\$1.9384	\$0.0033	-\$0.0118
Jun-20	\$1.9369	\$0.0031	-\$0.0118
Jul-20	\$1.9401	\$0.0032	-\$0.0115

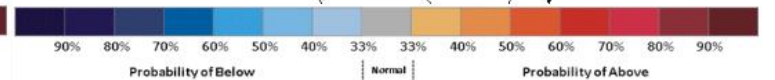
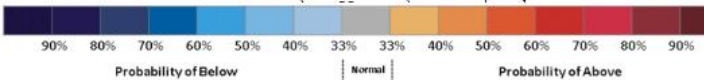
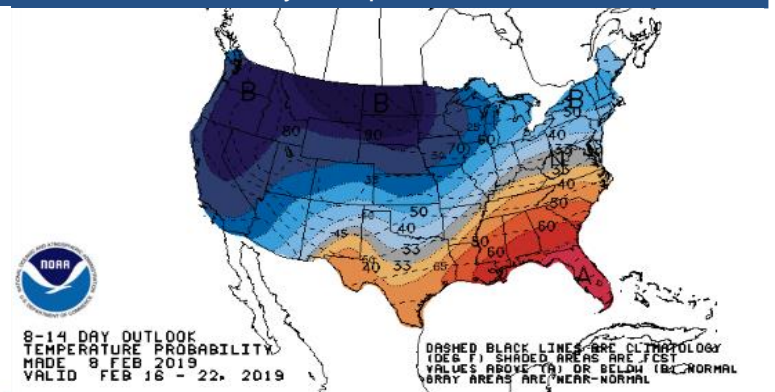
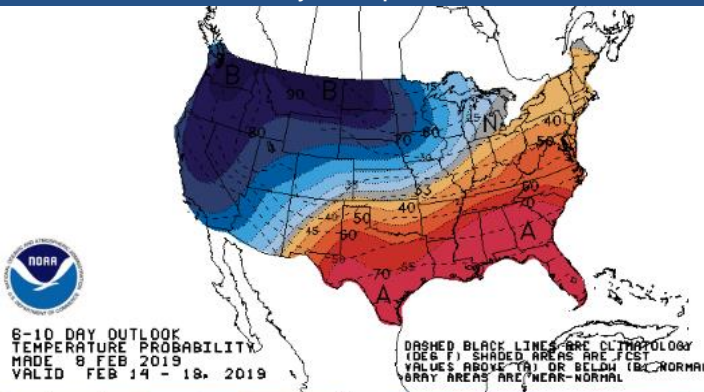
Sprague HeatCurve Oct 2019-Apr 2020		\$1.9486	
Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent- WTI Spread	\$53.0900	\$0.0900
Crude - Brent		\$62.1000	\$0.4700
Natural Gas	\$9.01	\$2.5830	\$0.0320
Gasoline		\$1.4464	\$0.0206

Sprague HeatCurve October-April



NOAA 6-10 Day Temperature Outlook

NOAA 8-14 Day Temperature Outlook



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