

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices bounced on Thursday, supported by a smaller than expected build in U.S. crude oil inventories. Prices had been climbing ahead of the supply data, partly on the back of expectations that efforts by China to stimulate the economy will blunt the hit to crude demand from the country's coronavirus outbreak. The prospect of a further squeeze on Venezuelan oil exports has also supported prices. April WTI rose as much as 2.2%, to a session high of \$54.66 a barrel by 11:00 am EST, but as quickly as it rose, this new spot contract retreated from session highs, and proceeded to trade between the range of \$53.80 and \$54.10 for the remainder of the session and settled at \$53.88 a barrel, up 39 cents or 0.73%. The expiring March contract went off the board at \$53.78 a barrel, up 19 cents, or 0.32%. April Brent rose 19 cents, or 0.3%, to \$59.31 a barrel. March RBOB rose 0.4% to \$1.6697 a gallon, while March heating edged down 0.5% to \$1.6976 a gallon.

Technical Analysis: WTI continued to bounce, as it is still a bit oversold. After bouncing off of unchanged, April WTI broke above \$54.00 and closed in on the 50-day moving average. Coming into Friday's session, we would look for an attempt at breaking above the 50-day moving average, with successful attempts opening up the opportunity for a run at \$55.00. To the down side support is set at \$53.45 and below that at \$52.50.

Fundamental News: The EIA reported that US East Coast refinery utilization rates in the week ending February 14th fell to 59.2%, the lowest level since November 2012. Meanwhile, US Midwest gasoline stocks increased by 421,000 barrels to 59.2 million barrels on the week, the highest level in a year.

The US Department of Agriculture announced a goal for biofuels to make up 30% of US transportation fuels by 2050. Refineries are currently required to blend 20.09 billion gallons of biofuels in 2020, about 10% of projected crude oil production, according to the EIA. President Donald Trump has been criticized by the corn-based ethanol industry after his Environmental Protection Agency granted exemptions to the blend requirement for dozens of oil companies over the last two years.

Russia's Energy Minister, Alexander Novak, said there was a common understanding among global oil producers that it would now no longer make sense for OPEC and non-OPEC producers to meet before their planned gathering in early March. He said Russia was still talking to other countries about the situation on the oil market. OPEC has been trying to persuade Russia to join deeper production cuts. Russia has stated that it will disclose its stance in the coming days. He said Russia was still discussing its position and did not say if Russia would support deeper cuts.

US Federal Reserve Vice Chair, Richard Clarida, said the US economy is showing signs of losing steam in an outlook that showed little alarm about the coronavirus outbreak.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending February 20th fell by 3.31% on the week and by 4.36% on the year to 1.196 million tons. Gasoil stocks fell by 4.73% on the week and by 7.05% on the year to 2.254 million tons while fuel oil stocks fell by 6.29% on the week but increased by 6.1% on the year to 1.043 million tons.

Early Market Call - as of 8:30 AM EDT

WTI - Apr \$53.06, down 82 cents

RBOB - Mar \$1.6384, down 3.13 cents

HO - Mar \$1.6720, down 2.61 cents

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-20	1.6976	-0.0092	-0.0171
Apr-20	1.6928	-0.0093	-0.0145
May-20	1.6897	-0.0090	-0.0135
Jun-20	1.6898	-0.0093	-0.0125
Jul-20	1.6935	-0.0096	-0.0119
Aug-20	1.7002	-0.0099	-0.0122
Sep-20	1.7086	-0.0106	-0.0125
Oct-20	1.7166	-0.0113	-0.0126
Nov-20	1.7241	-0.0113	-0.0127
Dec-20	1.7293	-0.0114	-0.0120
Jan-21	1.7346	-0.0112	-0.0116
Feb-21	1.7360	-0.0110	-0.0111
Mar-21	1.7311	-0.0113	-0.0103
Apr-21	1.7215	-0.0116	-0.0104
May-21	1.7191	-0.0122	-0.0101
Jun-21	1.7179	-0.0132	-0.0095
Jul-21	1.7215	-0.0132	-0.0096

Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent-	\$53.8800	\$0.3900
Crude - Brent	WTI Spread	\$59.3100	\$0.1900
Natural Gas	\$5.43	\$1.9200	-\$0.0350
Gasoline		\$1.6697	\$0.0064

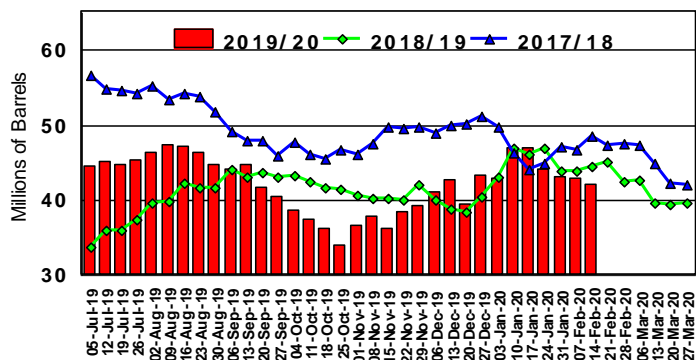
EIA Working Gas Storage Report

	14-Feb-20	07-Feb-20	Change	Year Ago
East	527	569	-42	402
Midwest	639	694	-55	444
Mountain	117	126	-9	88
Pacific	198	202	-4	140
South Central	861	903	-42	656
Salt	257	269	-12	227
Nonsalt	605	634	-29	428
Total	2,343	2,494	-151	1,730

Weekly EIA Petroleum Status Report for the Week Ending February 14, 2020

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 415,000 barrels

Cushing, OK Crude Stocks Down 133,000 barrels

Gasoline Stocks Down 1.971 million barrels

Distillate Stocks Down 635,000 barrels

Refinery % Operated 89.4%, up 1.4%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Feb 14, 2020	Week Ending Feb 07, 2020	Week Ending Feb 15, 2019
New England	7.0	7.1	8.1
Central Atlantic	22.1	22.3	23.6
Total PADD #1	42.1	42.9	44.4
Distillate Imports (thousands b/d)	107	53	412