

Market Commentary

Recap: Due to the Martin Luther King, Jr. holiday there are no settlements for Monday, January 21st.

Fundamental News: Oil exports from southern Iraq are holding close to a record high so far in 2019. Southern Iraqi exports in the first 21 days of January averaged 3.6 million bpd, according to Refinitiv Eikon. Meanwhile, Iraq's northern exports appear to have held steady in January at about 400,000 bpd.

Kuwait on Monday projected a 4.7% increase in spending to 22.5 billion dinars or \$74.15 billion as part of its state budget for the year ending March 31, 2020. Kuwait's Finance Minister, Nayef al-Hajraf, said he expected the average oil price to range between \$55 and \$65/barrel, higher than the projected \$50/barrel in its last budget.

The ISNA news agency reported that Iran failed to find any buyers in its latest attempt to sell oil to private companies for export on the stock exchange. On Monday, Iran offered 1 million barrels on the exchange at a starting price of \$52/barrel.

A spokesman for Japan's Fuji Oil and the governor of Iran's central bank said Japanese refiners have loaded Iranian crude onto a tanker, resuming imports after halting its purchases because of sanctions imposed on Iran by the US. Fuji Oil lifted a cargo of Iranian crude oil over the weekend. A VLCC loaded about 2 million barrels of Iranian oil on Sunday and is expected to reach Japan on February 9th.

Data from Refinitiv Eikon showed that on Saturday, South Korea received its first Iranian oil cargo in four months.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil output in November increased by 451,000 bpd on the month to 11.093 million bpd. The country's crude oil exports in November increased to 8.235 million bpd from 7.7 million bpd in October. Saudi Arabia's crude oil stocks in November fell by 9.16 million barrels to 208.22 million barrels. The country's refinery crude throughput increased by 21,000 bpd to 2.836 million bpd in November. Its demand for oil products fell by 60,000 bpd to 2.1 million bpd in November.

China's National Bureau of Statistics reported that country's crude oil output in 2018 fell for a third consecutive year despite increasing capital spending by oil producers. Annual crude production fell by 1.3% to 189.11 million tons or 3.78 million bpd. However, China's production in December increased by 2% on the year to 16.33 million tons.

IIR Energy reported that US oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending January 25th, cutting available refining capacity by 290,000 bpd from the previous week. IIR expects offline capacity to increase to 1.2 million bpd in the week ending February 1st.

The International Monetary Fund cut its world economic growth forecasts for 2019 and 2020, due to weakness in Europe and some emerging markets, and said failure to resolve trade tensions could further destabilize a slowing global economy. The IMF predicted the global economy will grow at a 3.5% rate in 2019 and 3.6% in 2020, down 0.2% and 0.1%, respectively from last October's forecasts. Growth in the euro zone is set to moderate from 1.8% in 2018 to 1.6% in 2019, down 0.3% from a previous forecast. It also cut its 2019 growth forecast for developing countries to 4.5%, down 0.2% from a previous projection and down from 4.7% in 2018. The IMF maintained its US growth projections of 2.5% this year and 1.8% in 2020. It also kept its China growth forecast at 6.2% in both 2019 and 2020 but said economic activity could miss expectations if trade tensions persist.

Early Market Call - as of 8:35 AM EDT

WTI - Feb \$52.88, down 86 cents

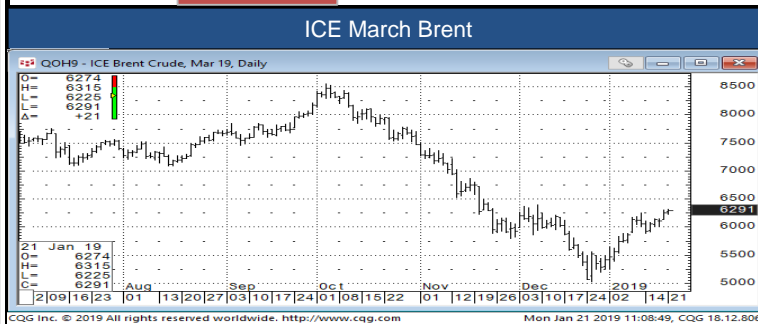
RB0B - Feb \$1.4246, down 2.82 cents

HO - Feb \$1.8976, down 1.81 cents

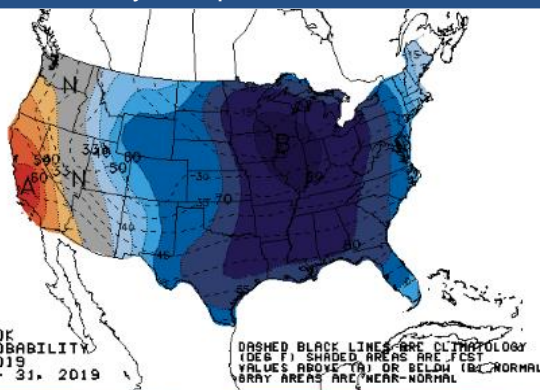
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-19			
Mar-19			
Apr-19			
May-19			
Jun-19			
Jul-19			
Aug-19			
Sep-19			
Oct-19			
Nov-19			
Dec-19			
Jan-20			
Feb-20			
Mar-20			
Apr-20			
May-20			
Jun-20			

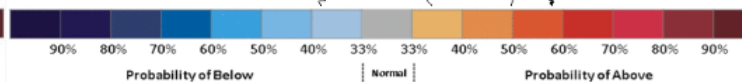
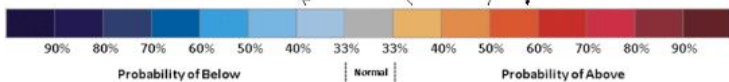
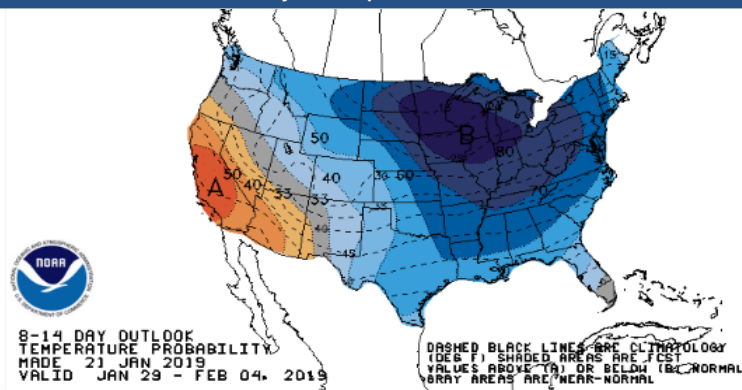
Other Front Month NYMEX		Close	Change
Crude - WTI	Mar Brent- WTI Spread \$	\$62.7400	\$0.0400
Crude - Brent			
Natural Gas			
Gasoline			



NOAA 6-10 Day Temperature Outlook



NOAA 8-14 Day Temperature Outlook



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