

## Market Commentary

**Recap:** Oil futures ended mixed on Tuesday, with WTI coming under pressure, while Brent held on to gains, as supply concerns, as well as demand dominated market activity. Traders are hoping that President Biden will get his stimulus plan approved soon, which provided some support along with Iraq's pledge to cut production. Capping prices are increasing worries over the rising number of global coronavirus cases, while reports of a blast in Saudi Arabia, which may have disrupted supplies, at least temporarily, underpinned the market. WTI for March delivery slipped 16 cents, or 0.3%, to settle at \$52.61 a barrel, while March Brent added 3 cents, or nearly \$55.91 a barrel. February RBOB tacked on 1.3% to \$1.5807 a gallon and February heating oil added 0.3% to \$1.5984 a gallon.

**Market Outlook:** The main trend for oil is to the upside, while momentum has shifted to the downside, after the reversal top made on January 13. A trade above \$53.93, the top of this formation will signal a resumption of the uptrend, while a push through \$47.31 will shift the main trend to the downside. While the main trend is to the upside, the minor trend is to the downside. Should this market get below \$51.44, the low made on January 22, the down trend will pick up momentum. Resistance set at \$53.35 and above that at \$53.90. Below \$50, there is support set at \$48.11.

**Fundamental News:** The New York Times reported that U.S. President Joe Biden plans to announce on Wednesday preparatory steps toward a ban on new oil and gas drilling on federal land. Citing two unnamed sources, the newspaper said President Biden would issue an executive order directing federal agencies to determine how expansive the ban should be. The Biden administration has already temporarily suspended oil and gas permitting on federal lands and waters, one in a series of orders aimed at fighting climate change and tamping down the U.S. fossil fuel industry. The New York Times said Biden will also on Wednesday issue executive orders that direct the government to conserve 30% of federal land and water by 2030, create a task force to make a plan for reducing greenhouse gas emissions and elevate climate change to a national security priority. Federal leases account for close to 25% of the nation's crude oil output, making them a big contributor to energy supply but also to America's greenhouse gas emissions.

Arrivals of diesel and gasoil from the U.S. into Europe were expected to stand at 21,000 tons this week, with a tanker unloading the rest of its 38,000 ton gasoil parcel after a partial discharge in Las Palmas, Spain last week. With three cargoes tracked last month, January loadings are expected to continue the trend for low activity with just over 105,000 tons. No departures are expected this week.

The chief economist of the International Monetary Fund, Gita Gopinath, said preliminary estimates show U.S. President Joe Biden's proposed \$1.9 trillion economic stimulus package could increase U.S. economic output by 5% over the next three years. The measures in the proposed package could add as much as 1.5% to U.S. growth in 2021, when the IMF projects the U.S. economy will expand by 5.1% after a 3.4% contraction in 2020. She said premature withdrawal of policy support could lead to worse outcomes in the global economy. She also stated that the global economy may exit the crisis with less scarring than feared if vaccines and therapies remain effective against COVID-19.

### Early Market Call - as of 8:30 AM EDT

WTI - Mar \$52.60, down 1 cent  
RBOB - Feb \$1.5753, down 54 points  
HO - Feb \$1.5978, down 6 points

## All NYMEX | Prior Settlements

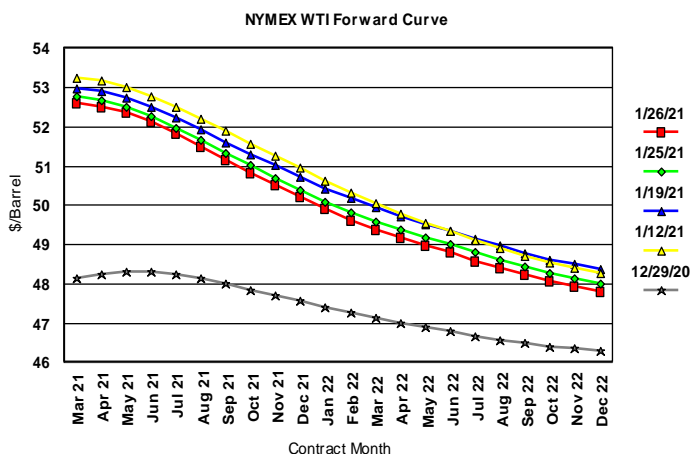
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-21	\$1.5984	\$0.0045	\$0.0020
Mar-21	\$1.5984	\$0.0029	\$0.0041
Apr-21	\$1.5956	\$0.0018	\$0.0054
May-21	\$1.5943	\$0.0007	\$0.0064
Jun-21	\$1.5942	\$0.0000	\$0.0077
Jul-21	\$1.5979	-\$0.0002	\$0.0078
Aug-21	\$1.6024	-\$0.0004	\$0.0074
Sep-21	\$1.6081	-\$0.0005	\$0.0065
Oct-21	\$1.6140	-\$0.0004	\$0.0055
Nov-21	\$1.6179	-\$0.0004	\$0.0050
Dec-21	\$1.6193	-\$0.0007	\$0.0050
Jan-22	\$1.6223	-\$0.0009	\$0.0050
Feb-22	\$1.6219	-\$0.0010	\$0.0045
Mar-22	\$1.6150	-\$0.0010	\$0.0040
Apr-22	\$1.6021	-\$0.0012	\$0.0038
May-22	\$1.5962	-\$0.0014	\$0.0035
Jun-22	\$1.5925	-\$0.0017	\$0.0036

Sprague HeatCurve October 2021-April 2022			\$1.6177
		Close	Change
Crude - WTI	Mar Brent-	\$52.6100	-\$0.1600
Crude - Brent	WTI Spread	\$55.9100	\$0.0300
Natural Gas	\$3.30	\$2.6560	\$0.0540
Gasoline		\$1.5807	\$0.0196

## API Report for the Week Ending January 22, 2021

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 5.3 million barrels	Down 1.7 million barrels
Cushing, OK Crude Stocks	Down 3.5 million barrels	
Gasoline Stocks	Up 3.1 million barrels	Up 1.2 million barrels
Distillate Stocks	Up 1.4 million barrels	Down 800,000 barrels
Refinery Runs	Down 76,000 bpd	Down 0.7%
Crude Imports	Down 470,000 bpd	

## WTI Forward Curve



## 8-14 Day Weather Forecast

