

Market Commentary

Recap: WTI fell to its lowest level in more than a week amid concerns that the standoff on a trade deal between the U.S. and China is going to continue. The upside correction that began back in the middle of December seems to have reached a stalling point. Prices have been trading sideways since the beginning of January, with WTI having difficulty holding above \$55.00. Trade talks, the situation in Venezuela and global economic concerns are among the reasons for the impediment on the up move. U.S. production continues to grow, however the global economic situation raises the concern that demand will not keep up with supplies. March WTI fell \$1.37, or 2.54 percent, to settle at \$52.64 a barrel, while April Brent settled at \$61.63 a barrel, down \$.106, or 1.69 percent. March RBOB fell 2.3% to \$1.426 a gallon, while March heating fell 0.6% to \$1.901 a gallon.

Technical Analysis: March WTI came back to test the lower trend line on the ascending channel it broke below yesterday, and held below it. This prompted additional selling. With moving oscillators pointing to the down side, we would look for a run at \$50.93, the current 50-day moving average based upon a spot continuation chart. Below that, additional support rests at \$50.00. Resistance is seen at \$54.23 and above that at \$55.75.

Fundamental News: The government of Venezuelan President Nicolas Maduro has blocked a bridge on the Colombia-Venezuela border amid rising tension over opposition plans to bring humanitarian aid into the country. Venezuela's President has rejected the international aid, saying "we are not beggars." Venezuela's opposition leader and self-declared President, Juan Guaido, last week named the Colombian border town of Cucuta as one of three collection points for the delivery of international aid. US Secretary of State, Mike Pompeo, has urged Venezuela to open the bridge.

The International Monetary Fund is still awaiting guidance from its member countries on whether to recognize Venezuela's opposition leader Juan Guaido as the country's legitimate head of state. IMF spokesman, Gerry Rice, said that official recognition would be the required first step before any IMF financing program to aid Venezuela could be designed.

The head of US Southern Command, Navy Admiral Craig Faller, said the US military is prepared to protect US personnel and diplomatic facilities in Venezuela if needed.

Clashes near Libya's Sharara oil field started again. The fighting is between forces of eastern military commander Khalifa Haftar, who had announced that they had taken control of the country's largest oil field, and rival armed troops led by Ali Kana, who is loyal to UN-supported authorities in Tripoli.

Two OPEC sources said Saudi Arabia produced 10.24 million bpd in January. Under the OPEC and non-OPEC output cut agreement, Saudi Arabia should cut its production to 10.311 million bpd, however the country's Energy Minister has stated that the country will over-comply with the agreement to show its full commitment. Saudi Arabia produced 10.643 million bpd in December.

Kuwait's Finance Ministry reported that the country's oil production in December increased to 2.8 million bpd.

TASS news agency cited Russian Energy Minister, Alexander Novak, as saying that OPEC and non-OPEC countries could discuss a charter outlining open-ended cooperation in April.

Early Market Call - as of 8:50 AM EDT

WTI - Mar \$52.78, up 15 cents

RBOB - Mar \$1.4335, up 77 points

HO - Mar \$1.9120, up 1.19 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-19	\$1.9005	-\$0.0117	\$0.0231
Apr-19	\$1.8936	-\$0.0122	\$0.0237
May-19	\$1.8896	-\$0.0135	\$0.0230
Jun-19	\$1.8907	-\$0.0146	\$0.0217
Jul-19	\$1.8977	-\$0.0155	\$0.0204
Aug-19	\$1.9052	-\$0.0164	\$0.0191
Sep-19	\$1.9143	-\$0.0169	\$0.0185
Oct-19	\$1.9234	-\$0.0176	\$0.0186
Nov-19	\$1.9331	-\$0.0179	\$0.0193
Dec-19	\$1.9418	-\$0.0182	\$0.0201
Jan-20	\$1.9492	-\$0.0180	\$0.0209
Feb-20	\$1.9510	-\$0.0179	\$0.0221
Mar-20	\$1.9493	-\$0.0176	\$0.0239
Apr-20	\$1.9401	-\$0.0174	\$0.0249
May-20	\$1.9351	-\$0.0175	\$0.0246
Jun-20	\$1.9338	-\$0.0178	\$0.0249
Jul-20	\$1.9369	-\$0.0178	\$0.0252

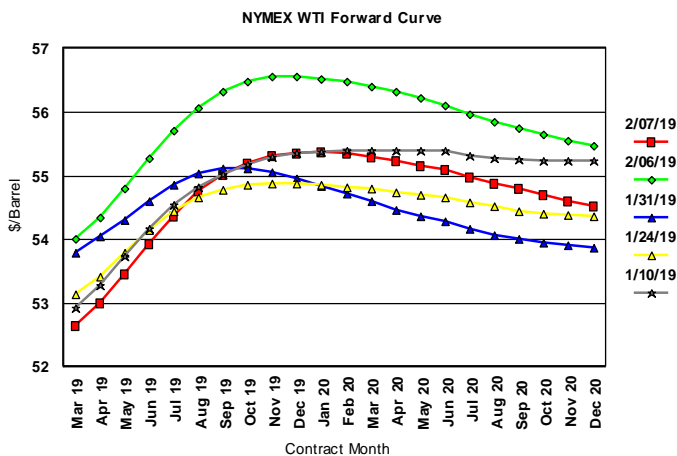
Sprague HeatCurve Oct 2019-Apr 2020			\$1.9437
Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent-	\$53.0000	-\$1.3400
Crude - Brent	WTI Spread	\$61.6300	-\$1.0600
Natural Gas	\$8.63	\$2.5510	-\$0.1110
Gasoline		\$1.4258	-\$0.0333

EIA Working Gas Storage Report

EIA Weekly Report

	01-Feb-19	25-Jan-19	Change	Year Ago
East	468	527	-59	493
Midwest	522	606	-84	551
Mountain	105	114	-9	132
Pacific	172	178	-6	214
South Central	692	771	-79	705
Salt	241	278	-37	182
Nonsalt	451	493	-42	523
Total	1,960	2,197	-237	2,095

NYMEX WTI Forward Curve



ICE April WTI-Brent Spread

