

Market Commentary

Recap: Oil futures slipped on Friday, giving back all of their gains made this past week. WTI saw follow-through to the downside after experiencing an impressive reversal top on Thursday. The weather driven move was short lived, as traders feared that refinery operations would be sluggish, as the deep freeze lingers on in Texas and this would create a slow -down in demand. Oil futures fell despite the unexpected 7.3 million barrel draw in U.S. crude oil inventories and are now at their lowest level since March of 2020. March WTI dipped back below \$60 a barrel, to settle at \$59.24 a barrel, down \$1.28, or 2.1%, for a weekly drop of 0.4%. April WTI, the most actively traded contract lost \$1.27, or 2.1%, to settle at \$59.26 a barrel. April Brent ended the session down \$1.02, or 1.6%, to settle at \$62.91 a barrel, down about 0.5% on the week. March RBOB finished the session up 0.7%, at \$1.8069 a gallon, up 6.8% on the week. Heating oil for March delivery slipped 0.7%, to settle at \$1.8229 a gallon, up 2.95 on the week.

Technical Analysis: After reaching its highest level in 13-months, WTI retraced all of the past week gains, as the focus has shifted from weather to the impact of these conditions on refiners and their ability to get back on line. As much as one-third of U.S. crude oil production has been shut in. Add to this, the upcoming March meeting of OPEC and its allies, where it is expected that a vote to ease up on production cuts will be taken. With oil prices at their highest level in over a year, confidence is increasing that the market can absorb more supply. The roll out of vaccines has increased hopes that demand will rise as the summer driving season approaches. While the main trend for oil is still to the upside, the short-term trend is to the downside. Support in WTI is set at \$59.09 and below that at \$57.40. Resistance is set at \$61.19 and above that at \$62.29.

Fundamental News: On Friday, Texas energy firms began to prepare for oil and gas production after days of frozen shutdowns as electric power and water service slowly resumed at oilfields and refineries. It will take several days for oilfield crews to deice valves, restart systems and begin oil and gas production. U.S. Gulf Coast refiners face five - to seven-day restarts with low water pressure continuing to hamper operations even as power is being restored. According to analysts, the unusually cold weather in Texas and the Plains states curtailed up to 4 million bpd of crude oil production and 21 billion cubic feet of natural gas. Texas refiners halted about a fifth of the nation's oil processing amid power outages and severe cold.

According to Baker Hughes Co., the U.S. oil and gas rig count was unchanged at 397 in the week ending February 19th. U.S. oil rigs fell by one to 305 this week, while gas rigs increased by one to 91.

IIR Energy reported that U.S. oil refiners are expected to shut in 6.3 million bpd of capacity in the week ending February 19th, cutting available refining capacity by 2.59 million bpd from the previous week.

Traders and analysts said refining outages in Texas due to freezing weather has led to a flurry of fuel tanker bookings from Europe, while several carriers were diverting away from the U.S. Gulf Coast. According to oil analytics firm Vortexa, U.S. Atlantic coast imports of diesel and gasoil from other countries was seen at 380,000 bpd in February, at the same level of a multi-year high reached in November. The rise is led largely by higher intake from northwest Europe, with 140,000 bpd of imports, a multi-year high. Vortexa said imports on the route are also on track to remain firm in March, with around 2.5 million barrels currently forecast to arrive. Gasoline exports from Europe to North America have also increased. According to Vortexa, loadings of gasoline and blending components along the route were pegged at 417,000 bpd Feb. 1-18, the highest level since July 2020, and 27% higher than average for the prior three months.

Early Market Call - as of 8:30 AM EDT

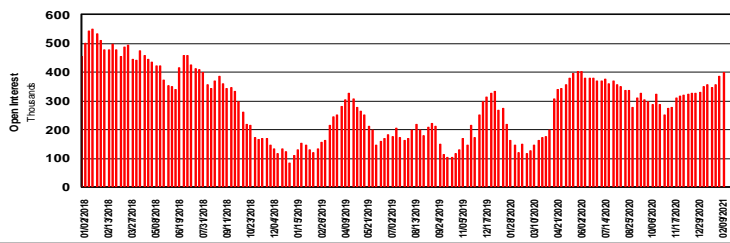
WTI - Mar \$59.84, up 60 cents
 RBOB - Mar \$1.7979, down 90 points
 HO - Mar \$1.8154, down 79 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-21	1.8229	-0.0135	-0.0515
Apr-21	1.8104	-0.0124	-0.0456
May-21	1.7984	-0.0137	-0.0378
Jun-21	1.7923	-0.0135	-0.0338
Jul-21	1.7885	-0.0141	-0.0301
Aug-21	1.7863	-0.0146	-0.0271
Sep-21	1.7867	-0.0151	-0.0252
Oct-21	1.7883	-0.0148	-0.0250
Nov-21	1.7894	-0.0141	-0.0255
Dec-21	1.7887	-0.0139	-0.0256
Jan-22	1.7888	-0.0138	-0.0249
Feb-22	1.7850	-0.0137	-0.0234
Mar-22	1.7751	-0.0138	-0.0215
Apr-22	1.7589	-0.0138	-0.0199
May-22	1.7491	-0.0134	-0.0189
Jun-22	1.7413	-0.0133	-0.0173
Jul-22	1.7395	-0.0129	-0.0162

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$3.65	\$59.2600	-\$1.2700
Crude - Brent		\$62.9100	-\$1.0200
Natural Gas		\$3.0690	-\$0.0130
Gasoline		\$1.8069	\$0.0126

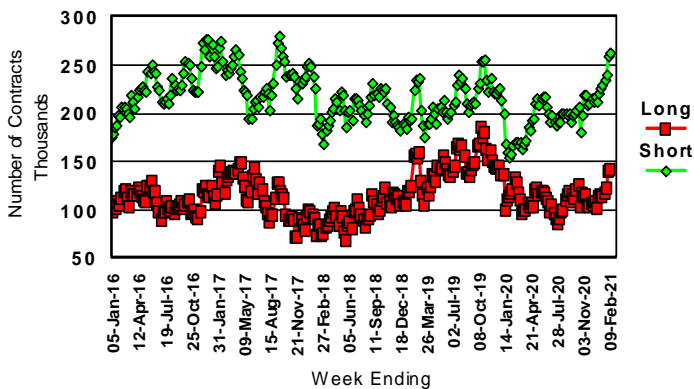
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending February 16, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

