

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures rose on Friday, gaining support from tightening supplies and worries of a Russian attack on neighboring Ukraine, pushing prices to their fourth weekly gain despite sources saying China is set to release crude reserves around the Lunar New Year. A weaker U.S. dollar, which appeared headed toward its largest weekly fall in four months also lifted prices, as a weaker dollar makes commodities more affordable for holders of other currencies. Issues also remain unresolved in indirect talks between Iran and the U.S. on reviving the 2015 Iran nuclear deal. If the U.S. lifts sanctions on Iran, the country could boost oil shipments, adding to global supply. February WTI settled at \$83.82 a barrel, up \$1.70, or 2.1%, for a weekly gain of 6.3%. Brent for March delivery added \$1.59, or 1.9%, to settle at \$86.06 a barrel, up 5.4% on the week. February RBOB tacked on 1.5%, to \$2.419 a gallon, up 5.2% on the week. February heating oil rose 1%, to \$2.634 a gallon, up 6.1% on the week.

Technical Analysis: February WTI blew through the upper line on the symmetrical triangle that can be depicted on a daily spot continuation chart, as it netted the largest one week percentage gain since the week ending Dec.10, 2021. Over the last four weeks, WTI is up \$12.96, or 18.29%, the largest four week gain since June 5, 2020. Based upon the breakout and proving we hold the aforementioned line, the upside objective is \$95.44. Of course there is the nice round psychological resistance level of \$85. We have been up at this level before and expect to hear a lot of noise around it. Support is set at \$83.40 and below that at \$79.75.

Fundamental News: The IEA said global oil demand has proven stronger than expected as the latest coronavirus variant impacts the economy less than expected. IEA Executive Director, Fatih Birol, said "Demand dynamics are stronger than many of the market observers had thought, mainly due to milder Omicron expectations." In its latest monthly report, the IEA forecast that world fuel consumption would fall by 740,000 bpd this quarter, compared with previous quarter. The IEA is scheduled to publish its next monthly report on January 19th.

Commerzbank said oil prices are defending the gains made in recent days and are set to see their fourth weekly increase. The bank upwardly revised its price forecast for Brent crude in the current quarter to \$80/barrel, from its previous forecast of \$70/barrel. For the following quarters, Commerzbank still expects the price to fall to \$75/barrel as plenty of oil is projected to reach the market in the coming months.

RBC expects the U.S. administration to urge OPEC member with spare production capacity to compensate for the inability of others to meet production targets.

China will release crude oil from its national strategic stock reserve around the Lunar New Year holidays that start on February 1st as part of a plan coordinated by the U.S. with other major consumers to reduce global prices. Sources stated that China agreed in late 2021 to release an unspecified amount of crude oil depending on price levels. One source said "China agreed to release a relatively bigger amount if oil is above \$85/barrel, and a smaller volume if oil stays near the \$75 level."

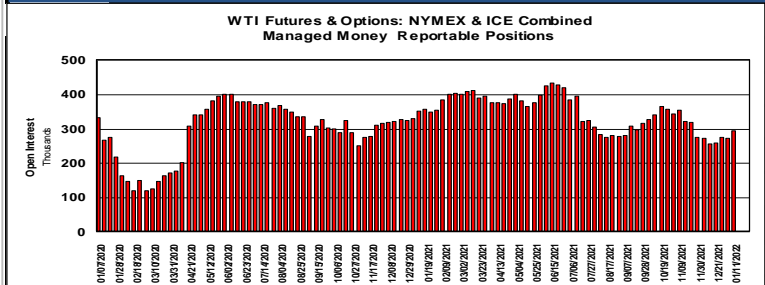
U.S. energy firms this week added the most oil and natural gas rigs in a week since April. Baker Hughes reported that the oil and gas rig count increased by 13 to 601 in the week ending January 14th, its highest since April 2020. U.S. oil rigs increased by 11 to 492 this week, their highest since April 2020, while gas rigs increased by 2 to 109.

Early Market Call - as of 9:40 AM EDT

WTI - Feb \$83.76, down 6 cents
 RBOB - Feb \$2.4162, down 28 points
 HO - Feb \$2.6465, up 1.22 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-22	2.6343	0.0258	0.1525
Mar-22	2.5860	0.0292	0.1354
Apr-22	2.5231	0.0264	0.1101
May-22	2.4896	0.0251	0.1019
Jun-22	2.4688	0.0246	0.0971
Jul-22	2.4553	0.0244	0.0932
Aug-22	2.4463	0.0243	0.0912
Sep-22	2.4406	0.0242	0.0855
Oct-22	2.4347	0.0238	0.0863
Nov-22	2.4279	0.0227	0.0828
Dec-22	2.4203	0.0216	0.0796
Jan-23	2.4127	0.0211	0.0770
Feb-23	2.3991	0.0207	0.0738
Mar-23	2.3807	0.0206	0.0699
Apr-23	2.3580	0.0203	0.0665
May-23	2.3400	0.0202	0.0621
Jun-23	2.3252	0.0200	0.0584

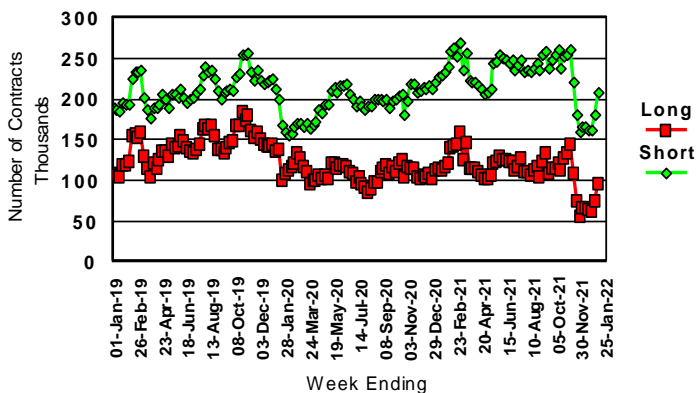
Settlements			
		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$2.76	\$83.3000	\$1.6800
Crude - Brent		\$86.0600	\$1.5900
Natural Gas		\$4.2620	-\$0.0080
Gasoline		\$2.4190	\$0.0349



Commitment of Traders Report for the Week Ending January 11, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

