

Market Commentary

Recap: Trading in oil prices was erratic on Tuesday, with price gapping higher on the opening, followed by a selloff fueled by rising concern over the impact on crude demand from the coronavirus outbreak in China, and from the continued stalling from Russia, which has been avoiding for weeks now a direct reply to a proposal for deeper production cuts to counter the demand loss from the coronavirus. But as the stock market recovered, so did oil. After slipping below \$51.00 a barrel, March WTI recaptured all of its losses to finish the session unchanged at \$52.05 a barrel. April Brent finished up 8 cents, or 0.1%, settling at \$57.75 a barrel. RBOB futures continued to rise as unplanned weekend refinery outages compounded earlier shutdowns at major U.S. Gulf coast and East Coast plants. March RBOB added 2% to settle at \$1.6148 a gallon as the new outages are expected to tighten supplies as refineries prep for seasonal maintenance and prepare the plants for summer driving season. March heating oil lost 1.5%, to settle at \$1.6724 a gallon.

Technical Analysis: After falling below \$51.00, March WTI snapped back, to regain the \$52.00 level. At this point in time, we would look for a push toward \$52.50, with the possibility of reaching \$53.20. Above this level, additional resistance is set at \$54.37. Support is set at the 10-day moving average, which is currently set at \$51.64 and below that at \$50.18.

Fundamental News: The EIA reported that US oil output from seven major shale formations is expected to increase about 18,000 bpd in March to about 9.18 million bpd.

The Kremlin said Russia's Energy Minister, Alexander Novak, was still in talks with Moscow's OPEC and non-OPEC allies about the future of their global oil output pact. Russia has stated that it will disclose its stance in the coming days.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in December were unchanged at 7.37 million bpd month-on-month. The country's crude output fell by 296,000 bpd to 9.59 million bpd in December.

Iran's Oil Minister, Bijan Zanganeh, said Iran had to reduce its oil production projects because of a lack of funds and income from oil exports has declined.

IIR Energy reported that US oil refiners are expected to shut in 673,000 bpd of capacity in the week ending February 21st, increasing available refining capacity by 68,000 bpd from the previous week. Offline capacity is expected to fall to 578,000 bpd in the week ending February 28th.

Work on restarting most of the units at Exxon Mobil Corp's 502,500 bpd Baton Rouge, Louisiana refinery continued over the weekend, but no units have been brought online since they were shut due to a fire on February 12th.

A 90,000 bpd fluid catalytic cracking unit at Lyondell Basell Industries' 263,776 bpd Houston, Texas refinery was shut following a fire on Sunday. It is expected to remain shut for at least the remainder of the week.

A 40,000 bpd catalytic reformer at Royal Dutch Shell's 211,270 bpd Convent, Louisiana refinery was shut on Sunday night following a brief fire.

A 56,000 bpd fluid catalytic cracking unit at Chevron's 100,000 bpd Pasadena refinery was shut on Monday evening. Meanwhile, the restart of a 41,000 bpd VDU began on Monday although activity at the unit has remained below normal operational levels so far. The unit was shut on February 6th.

A 65,500 bpd catalytic reformer unit at Marathon's 450,000 bpd Galveston Bay refinery was shut on Monday night. Also, a 34,500 bpd coker unit at Marathon's 543,000 bpd Garyville, Louisiana refinery was shut on Saturday evening.

Early Market Call - as of 8:45 AM EDT

WTI - Mar \$52.89, up 83 cents

RBOB - Mar \$1.6310, up 1.55 cents

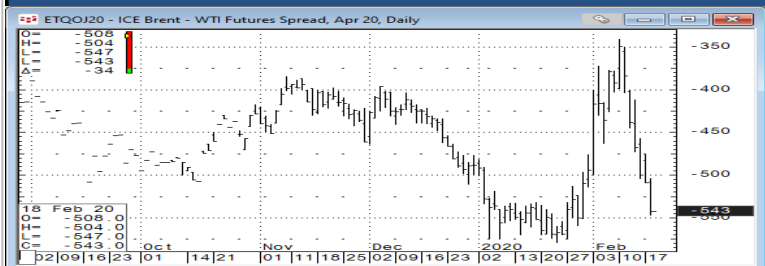
HO - Mar \$1.6916, up 1.94 cents

All NYMEX | Prior Settlements

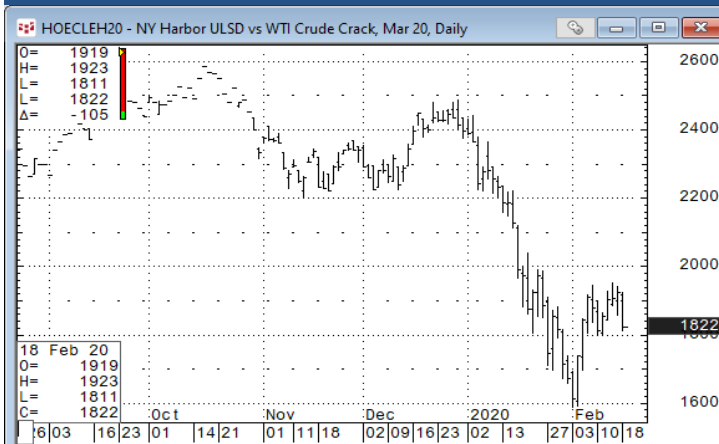
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-20	1.6724	-0.0258	-0.0457
Apr-20	1.6690	-0.0247	-0.0454
May-20	1.6663	-0.0237	-0.0435
Jun-20	1.6671	-0.0224	-0.0415
Jul-20	1.6714	-0.0212	-0.0397
Aug-20	1.6786	-0.0196	-0.0391
Sep-20	1.6879	-0.0179	-0.0390
Oct-20	1.6970	-0.0167	-0.0388
Nov-20	1.7054	-0.0156	-0.0391
Dec-20	1.7114	-0.0148	-0.0387
Jan-21	1.7170	-0.0143	-0.0379
Feb-21	1.7186	-0.0139	-0.0369
Mar-21	1.7148	-0.0130	-0.0358
Apr-21	1.7063	-0.0116	-0.0351
May-21	1.7054	-0.0102	-0.0347
Jun-21	1.7063	-0.0086	-0.0348
Jul-21	1.7105	-0.0077	-0.0342

Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent-	\$52.2900	-\$0.0300
Crude - Brent	WTI Spread	\$57.7500	\$0.0800
Natural Gas	\$5.46	\$1.9810	\$0.1440
Gasoline		\$1.6148	\$0.0315

ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread

