

Market Commentary

Recap: Oil prices slipped on Friday, marking the fifth straight week of declines, as the spread of the coronavirus continued to spread fear over a slowdown in demand. Prices were unable to hold on to early gains after Russia's energy minister said Moscow needed more time to assess the situation, giving a noncommittal response to the possibility of additional output cuts. This comes after OPEC and its allies met earlier in the week, when it was suggested that a provisional cut in output of 600,000 barrels per day be made. March WTI oil fell 63 cents, or 1.2%, to settle at \$50.32 barrel, for the weekly loss of 2.4%. April Brent declined by 46 cents, or 0.8%, to end at \$54.47 a barrel. March RBOB rose 1.7% to \$1.5239 a gallon, with prices up 1.3% for the week. March heating oil shed 1.3% to \$1.6433 a gallon, posting a weekly rise of 0.9%.

Technical Analysis: Although prices posted weekly losses, WTI continued to bounce around the psychological support level of \$50.00. Based upon a weekly spot continuation chart, March WTI settled below a long standing trend line for the second straight week. With this in mind, we would expect prices to begin the week trading to the downside. Our initial downside objective is \$48.05, with additional support set at \$46.30. To the upside, resistance is set at \$51.85 and above that at \$53.30.

Fundamental News: Baker Hughes reported that US energy firms increased the number of oil rigs operating for the third time in four week. US drillers added 1 oil rig in the week ending February 7th, bringing the total count to 676.

Russia's Energy Minister, Alexander Novak, said Russia needed more time to decide whether to join any additional oil output cut by OPEC, saying US crude production growth would slow and global demand remained solid. A technical panel that advises OPEC and its allies proposed on Thursday a provisional cut of 600,000 bpd. He said Russia needed more time to assess the situation, but indicated that he was not very concerned about demand and saw supply growth slowing, suggesting OPEC and its allies should not rush to reduce production further. Russia's Energy Minister, Alexander Novak said global oil demand may fall by 150,000 to 200,000 bpd this year due to the coronavirus outbreak and other negative events.

US Energy Secretary, Dan Brouillette, said that the impact of the coronavirus outbreak on global energy markets is currently marginal, though it could worsen if the virus spreads.

Eurasia Group estimated a contraction in oil demand in China of as much as 3 million bpd in the first quarter from 2019 levels.

IIR Energy reported that US oil refiners are expected to shut in 647,000 bpd of capacity in the week ending February 7th, increasing available refining capacity by 20,000 bpd from the previous week. Offline capacity is expected to fall to 467,000 bpd in the week ending February 14th but increase to 494,000 bpd in the subsequent week.

The White House's economic adviser, Larry Kudlow, said that President Donald Trump's administration does not expect the coronavirus in China will have a major impact on the US economy. He said the administration has estimated a fall in GDP of perhaps two-tenths of 1%.

Early Market Call - as of 8:35 AM EDT

WTI - Mar \$50.21, down 11 cents

RBOB - Mar \$1.5222, down 19 points

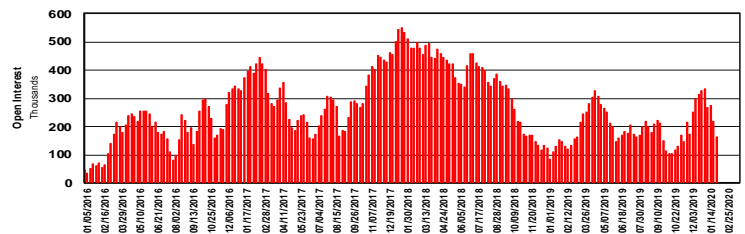
HO - Mar \$1.6321, down 1.09 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-20	1.6433	-0.0221	-0.0149
Apr-20	1.6393	-0.0243	-0.0083
May-20	1.6388	-0.0261	-0.0030
Jun-20	1.6420	-0.0268	-0.0001
Jul-20	1.6480	-0.0266	0.0009
Aug-20	1.6555	-0.0257	0.0007
Sep-20	1.6643	-0.0243	0.0001
Oct-20	1.6729	-0.0228	-0.0007
Nov-20	1.6805	-0.0214	-0.0018
Dec-20	1.6861	-0.0206	-0.0025
Jan-21	1.6919	-0.0202	-0.0030
Feb-21	1.6945	-0.0200	-0.0042
Mar-21	1.6916	-0.0196	-0.0051
Apr-21	1.6836	-0.0192	-0.0067
May-21	1.6822	-0.0188	-0.0077
Jun-21	1.6815	-0.0182	-0.0072
Jul-21	1.6852	-0.0175	-0.0092

Other Front Month NYMEX		Close	Change
Crude - WTI	Apr Brent- WTI Spread	\$50.5500	-\$0.5900
Crude - Brent		\$54.4700	-\$0.4600
Natural Gas	\$3.92	\$1.8580	-\$0.0040
Gasoline		\$1.5239	\$0.0259

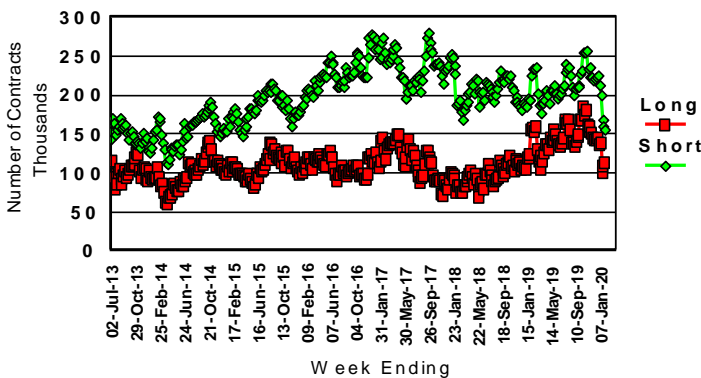
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending February 4, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

