

Market Commentary

Recap: Oil futures scored a weekly gain of almost 5% on Friday, marking their third straight week of gains. Traders continue to monitor the unrest in Kazakhstan that threatens to add to supply outages that have helped boost crude prices. The situation in Kazakhstan is troubling, as it exports about 1.5 million barrels of oil per day and the violence is near the oil producing center. February WTI finished the week at \$78.90 a barrel, down 56 cents, or 0.7% but still logged a weekly gain of 4.9%. March Brent fell 24 cents or 0.3% to \$81.75 a barrel, for a weekly rise of 5.1%. Petroleum products ended mixed, with February RBOB falling 0.2%, to \$2.299 a gallon, up 3.3% on the week, while February heating oil added 0.2%, to \$2.482 a gallon, for a weekly rise of 6.7%.

Technical Analysis: For the second day in a row, WTI settled above the upper line on the symmetrical triangle we have been watching, validating Thursday's break to the upside. This and the fact that the overall fundamentals of the market are tilting to the bullish side, puts prices on track to head higher. Supplies in the U.S. remain tight, while demand has been steady, even though the Omicron variant of coronavirus continues to spread. Tensions in Kazakhstan and outages in Libya add to the bullish tone. Given the point of the breakout of the aforementioned triangle, the projected upside objective is \$87.42. Support is seen at \$76.54 and below that at \$74.10.

Fundamental News: Baker Hughes reported that U.S. energy firms continued to add oil and natural gas rigs this week after increasing the rig count in 2021. It reported that the oil and gas rig count increased by 2 to 588 in the week ending January 7th, its highest level since April 2020. U.S. oil rigs increased by 1 to 481 this week, the highest level since April 2020, while gas rigs increased by 1 to 107, their highest level since March 2020.

IIR Energy reported that U.S. oil refiners are expected to shut in 435,000 bpd of capacity in the week ending January 7th, increasing available refining capacity by 32,000 bpd. Offline capacity is expected to fall to 220,000 bpd in the week ending January 14th, and fall further to 268,000 bpd in the week ending January 21st.

Canada exported a record amount of crude oil from the U.S. Gulf Coast last month driven by more pipeline capacity into the region and strong Asian demand. According to Kpler, shipments increased to more than 266,000 bpd in December after averaging over 180,000 bpd through the year. The recent reversal of Marathon Pipe Line Inc's Capline pipeline has allowed more crude to reach the U.S. Gulf Coast and in turn shipped to other countries.

Early Market Call - as of 8:00 AM EDT

WTI - Feb \$78.55, down 36 cents
 RBOB - Feb \$229.45, down 44 points
 HO - Feb \$250.63, up 2.45 cents

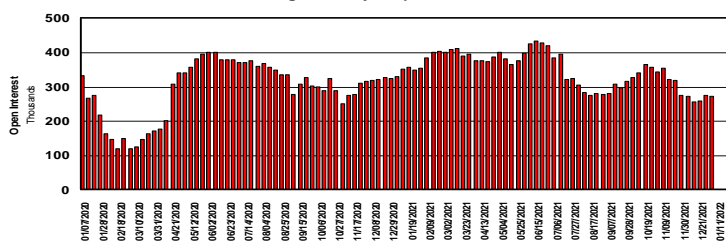
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-22	2.4818	0.0041	0.1565
Mar-22	2.4506	0.0013	0.1422
Apr-22	2.4130	-0.0014	0.1282
May-22	2.3877	-0.0020	0.1190
Jun-22	2.3717	-0.0019	0.1141
Jul-22	2.3621	-0.0019	0.1102
Aug-22	2.3551	-0.0018	0.1073
Sep-22	2.3514	-0.0021	0.1036
Oct-22	2.3484	-0.0020	0.1033
Nov-22	2.3451	-0.0022	0.1021
Dec-22	2.3407	-0.0019	0.1015
Jan-23	2.3357	-0.0018	0.1002
Feb-23	2.3253	-0.0019	0.0977
Mar-23	2.3108	-0.0013	0.0951
Apr-23	2.2915	-0.0012	0.0925
May-23	2.2779	-0.0011	0.0910
Jun-23	2.2668	0.0001	0.0891

Settlements

		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$3.31	\$78.4400	-\$0.4400
Crude - Brent		\$81.7500	-\$0.2400
Natural Gas		\$3.9160	\$0.1040
Gasoline		\$2.2989	-\$0.0054

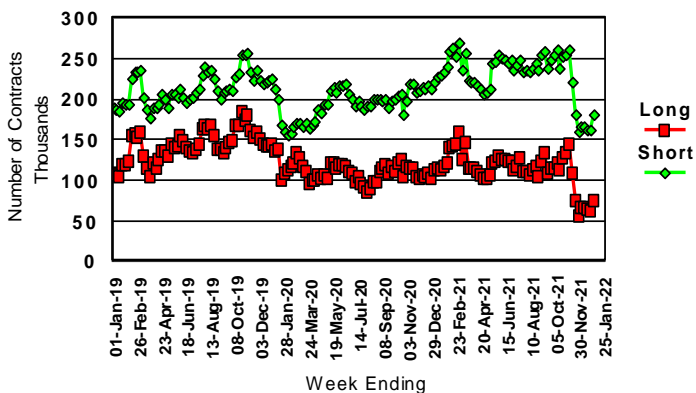
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 4, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

