

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** Oil prices took a hit for the third straight session after President Trump announced the imposition of tariffs on steel and aluminum imports to the U.S.; which dragged down global equities. A rising U.S. dollar also added pressure. Prices fell to their lowest level in two weeks, with April WTI reaching a low of \$60.18 a barrel before paring losses for a settlement at \$60.99, down 65 cents, or 1.05%. May Brent lost 90 cents, or 1.39%, to settle at \$63.83 a barrel.

March gasoline lost 1.5% to \$1.896 a gallon, while April heating oil fell 1% at \$1.886 a gallon.

**Fundamental News:** The US' role in the global oil market changed in 2017, with shale producers pumping more crude and thus reducing the country's reliance on some of its traditional sources of oil. At the same time, exports of crude, gasoline and other refined fuels increased higher than ever before. The US bypassed Saudi Arabia late last year and is on the heels of Russia to be the world's largest oil producer. The US produced 10.057 million bpd in November. US frackers increased their production as prices increased towards \$60/barrel late in the year, drawing more drillers to the market.

A US official said the Trump administration is considering sanctioning a Venezuelan military-run oil services company and restricting insurance coverage for Venezuelan oil shipments to increase pressure on President Nicolas Maduro. The official said that with President Maduro running for another term in an April election that Washington and its allies oppose as a sham, the US is considering sanctions that would target Venezuela's oil sector beyond what has been done before. He did not rule out an eventual full-scale ban on Venezuelan oil shipments to the US.

US President, Donald Trump, is scheduled to gather with officials from the oil and corn industries for the second time this week as the administration seeks common ground on reforms to the country's controversial biofuels law. A meeting earlier this week, ended with Iowa Republican Senators Chuck Grassley and Joni Ernst calling the White House efforts to help refiners cope with the regulation a threat to farmers and vowing to fight proposed changes.

Iraq's Oil Ministry reported that the country's oil exports from its southern ports on the Gulf fell to 3.426 million bpd in February. Its exports generated \$5.7 billion at a price of \$60.137/barrel. No sales were made from the Kirkuk oilfields in the north.

Russia's Energy Minister Alexander Novak, said the rebalancing of the global oil market is going well. He also stated that Russia was in full compliance with its obligations under a global deal to cut oil production in February. He said Russia cut its output by 300,400 bpd last month.

Kazakhstan's oil output increased by 52,000 bpd on the month to 1.909 million bpd in February.

Libya's crude output is currently at 1.1 million bpd. Lost output from closing the El-Feel oil field was offset by gains at Sharara and Waha.

Ineos, operator of the Forties Pipeline System, said that loading of Forties crude at the Hound Point terminal was temporarily postponed due to adverse weather conditions. It said the pipeline is operating normally. On Wednesday, pilots were unable to reach tankers as they arrived to bring them alongside to load oil.

**Early Market Call - as of 9:00 AM EDT**

WTI - Apr \$60.81, down 18 cents  
 RBOB - Apr \$1.8739, down 2.24 cents  
 HO - Apr \$1.8594, down 2.65 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-18	\$1.8855	-\$0.0180	-\$0.0681
May-18	\$1.8857	-\$0.0193	-\$0.0641
Jun-18	\$1.8829	-\$0.0204	-\$0.0620
Jul-18	\$1.8814	-\$0.0209	-\$0.0614
Aug-18	\$1.8804	-\$0.0213	-\$0.0609
Sep-18	\$1.8818	-\$0.0208	-\$0.0597
Oct-18	\$1.8831	-\$0.0203	-\$0.0577
Nov-18	\$1.8834	-\$0.0200	-\$0.0563
Dec-18	\$1.8826	-\$0.0199	-\$0.0551
Jan-19	\$1.8828	-\$0.0197	-\$0.0539
Feb-19	\$1.8799	-\$0.0195	-\$0.0530
Mar-19	\$1.8713	-\$0.0191	-\$0.0527
Apr-19	\$1.8533	-\$0.0186	-\$0.0527
May-19	\$1.8439	-\$0.0175	-\$0.0506
Jun-19	\$1.8380	-\$0.0159	-\$0.0484
Jul-19	\$1.8365	-\$0.0155	-\$0.0478
Aug-19	\$1.8373	-\$0.0153	-\$0.0475
Sep-19	\$1.8418	-\$0.0150	-\$0.0470

		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$3.03	\$60.8000	-\$0.6700
Crude - Brent		\$63.8300	-\$0.9000
Natural Gas		\$2.6980	\$0.0310
Gasoline		\$1.8964	-\$0.0282

### EIA Natural Gas Storage Report

	23-Feb-28	16-Feb-17	Change	Year Ago
East	382	403	-21	423
Midwest	398	428	-30	609
Mountain	102	111	-9	146
Pacific	189	204	-15	205
South Central	611	614	-3	979
Salt	183	175	8	332
Nonsalt	429	440	-11	647
Total	1,682	1,760	-78	2,362

## ICE May WTI-Brent Spread

## 8-14 Day Weather Forecast

