

Market Commentary

Recap: On Monday, the oil market posted an inside trading day as concerns over tight supply were offset by signs of progress in nuclear talks between the U.S. and Iran after the market rallied for a seventh week last week. U.S. President Joe Biden's administration restored sanctions waivers, allowing international cooperation on Iranian nuclear projects. The move was perceived as a signal that both sides are determined to reach a deal as the talks enter the final stretch. Analysts believe Iran could quickly export millions of barrels of crude and help to lower oil prices if U.S. sanctions are lifted. Iran has reportedly been moving oil into place to prepare the eventual resumption of its oil exports. Iran's floating storage increased from about 63 million barrels in early December to 87 million barrels in February, according to Kpler. The oil market, posted a high of \$92.73 and a low of \$90.73 in overnight trading and settled in a sideways trading pattern during the remainder of the session. The March WTI contract settled down 99 cents or 1.07% at \$91.32, while the April Brent contract settled down 58 cents or 0.62% at \$92.69. The product markets ended the session mixed, with the heating oil market settling down 1.97 cents at \$2.8554 and the RB market settling up 68 points at \$2.6853.

Technical Analysis: The oil market, which technically looks overbought and may be ready for a pullback as it stochastics look ready to cross to the downside, is likely to remain range bound as it seeks further direction from the nuclear negotiations that are schedule to resume on Tuesday. The crude market is seen finding support at its lows of \$90.73, \$90.07 followed by \$88.81, its 38% retracement level off a low of \$81.90 and high of \$93.17. More distant support is seen at \$88.25, \$87.47, its 50% retracement level, \$87.30, \$86.75 and \$86.12, its 62% retracement level. Meanwhile, resistance is seen at its high of \$92.73, \$93.17, followed by \$93.67 and \$95.00.

Fundamental News: An Iranian foreign ministry spokesman said Iran said the removal of U.S. sanctions is Tehran's red line in talks with world powers in Vienna to revive a 2015 nuclear deal, adding that talks will resume on Tuesday. Saeed Khatibzadeh said "The issue of removal of sanctions and Iran benefiting from it is Iran's red line in the talks." He said that reviving Tehran's 2015 nuclear deal with world powers depended on whether the United States was ready to make a political decision. On Friday, President Joe Biden's administration restored sanctions waivers allowing international nuclear cooperation with Iran on projects designed to make it harder for Iran's nuclear sites to be used to develop weapons, although a senior State Department official said that was not a signal Washington was on the verge of reaching an agreement. On Saturday, Iran's Foreign Minister, Hossein Amirabdollahian, said that a U.S. move to restore sanctions waivers to Tehran was not enough and Washington should provide guarantees for the revival of the 2015 nuclear deal with major powers. On Monday, the European Union confirmed that indirect talks in Vienna between Iran and the United States on reviving the 2015 Iran nuclear deal will resume on Tuesday.

ANZ Bank in a research note said demand for transportation fuels is bouncing back amid loosening COVID-19 restrictions. The bank noted that in the U.S. diesel demand has jumped to its highest seasonal level in at least three decades, while U.S. east coast stocks are at their lowest level since April 2020.

IIR Energy reported that U.S. oil refiners are expected to shut in 589,000 bpd of capacity in the week ending February 11th, increasing available refining capacity by 91,000 bpd.

According to Bloomberg, shipments of gasoline into the U.S. from Europe fell to a three-week low in the week ending February 3rd. The U.S. imported 151,600 bpd of gasoline during the period, the lowest since the week ending January 13th.

Early Market Call - as of 8:15 AM EDT

WTI - Mar \$89.70, down \$1.64

RBOB - Mar \$2.6385, down 4.68 cents

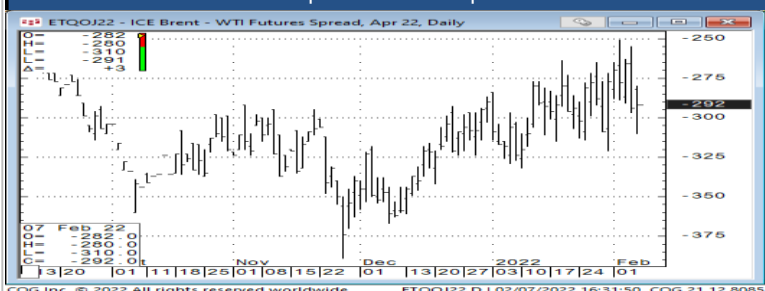
HO - Mar \$2.7973, down 5.81 cents

All NYMEX | Prior Settlements

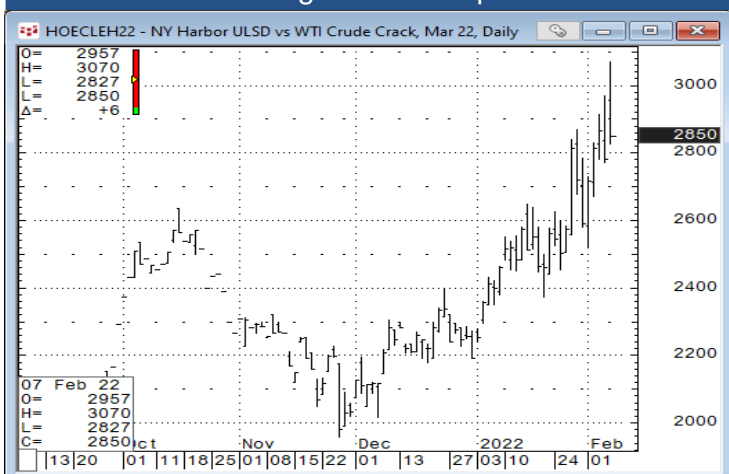
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-22	2.8554	-0.0197	0.1397
Apr-22	2.7513	-0.0088	0.1145
May-22	2.6854	-0.0061	0.0986
Jun-22	2.6438	-0.0032	0.0876
Jul-22	2.6169	-0.0017	0.0814
Aug-22	2.6012	-0.0002	0.0791
Sep-22	2.5949	0.0007	0.0728
Oct-22	2.5877	0.0011	0.0776
Nov-22	2.5773	0.0017	0.0767
Dec-22	2.5640	0.0025	0.0764
Jan-23	2.5509	0.0033	0.0765
Feb-23	2.5324	0.0044	0.0750
Mar-23	2.5104	0.0049	0.0733
Apr-23	2.4851	0.0054	0.0719
May-23	2.4646	0.0067	0.0709
Jun-23	2.4481	0.0073	0.0693
Jul-23	2.4388	0.0081	0.0681

Sprague HeatCurve October 2022-April 2023			\$2.5434
		Close	Change
Crude - WTI	Apr Brent-	\$89.77	-\$0.5600
Crude - Brent	WTI Spread	\$92.69	-\$0.5800
Natural Gas	\$2.92	\$4.2320	-\$0.3400
Gasoline		\$2.6853	\$0.6800

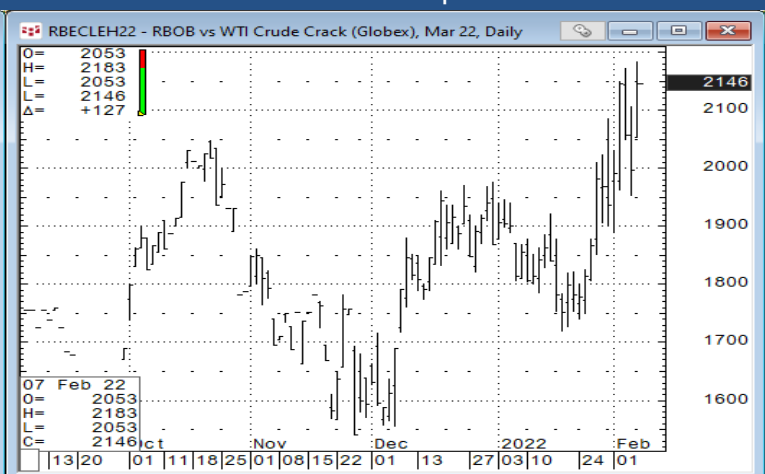
ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread



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