

Market Commentary

Recap: The oil market posted an inside trading day on Friday after failing to breach Thursday's trading range. The market opened slightly higher and traded to a high of \$59.78 early in the morning. However, the oil market continued to erase its gains and posted a low of \$58.85 as tensions in the Middle East over Iran eased for now and investors focused on the fact that there has been no disruption to production in the Middle East. The market held its support at its previous low of \$58.66 and bounced off its low and settled in a sideways trading pattern during the remainder of the session. The February WTI contract settled down 52 points at \$59.04. The oil market fell more than 6% on the week, the largest weekly percentage decline since July. The March Brent contract settled down 39 cents at \$64.98. The product markets ended the session mixed, with the heating oil market settling down 2.17 cents at \$1.9284 and the RBOB market settling up 69 points at \$1.6596.

Technical Analysis: The crude market is still seen retracing its recent losses. The market is seen finding support at its low of \$58.85 followed by its previous low of \$58.66. More distant support is seen at \$58.05, its 50% retracement level off a high of \$65.65 and a low of \$50.44, followed by \$56.25, its 62% retracement level. Meanwhile, resistance is seen at its highs of \$59.78 and \$60.31, followed by \$61.27, \$62.11 and \$62.94.

Fundamental News: Baker Hughes reported that US energy firms cut the number of oil rigs operating for a third consecutive week. Drillers cut 11 oil rigs in the week ending January 10th bringing the total count down to 659. It was the largest decline since October.

IIR Energy reported that US oil refiners are expected to shut in 308,000 bpd of capacity in the week ending January 10th, cutting available refining capacity by 170,000 bpd from the previous week. Offline capacity is expected to increase to 679,000 bpd in the week ending January 17th and to 770,000 bpd in the week ending January 24th.

Euroilstock reported that European refineries increased their crude oil and oil products stocks in December by 0.6% on the month and by 4.4% on the year to 1.09 billion barrels.

US President, Donald Trump, who announced last month that the Phase 1 trade deal with China would be signed on January 15th, said on Thursday the agreement could be signed "shortly thereafter." Meanwhile, White House economic adviser, Larry Kudlow, said the phase 1 US-China trade deal is on track to be signed on January 15th.

In regards to Iran, President Donald Trump said Iran probably had targeted the US embassy in Baghdad and was aiming to attack four US embassies when its top general, Qassem Soleimani, was killed in a US drone strike.

US Treasury Secretary, Steven Mnuchin, said the US is imposing additional sanctions on Iran as a result of its attack on US troops in Iraq this week. The US has imposed sanctions on Iran's manufacturing, textiles, mining and other sectors. Meanwhile, US Secretary of State, Mike Pompeo, said the US sanctions hit the inner heart of Iranian security apparatus. He said there was "no doubt" Iran had the full intention of killing US forces in its missile attack. Separately, the US Representative for Iran, Brian Hook, said US sanctions are more effective non-proliferation policy than the nuclear agreement. He also stated that it seems that Iran has concluded its retaliation for the US killing of senior Iranian commander Qassem Soleimani.

Early Market Call - as of 8:55 AM EDT

WTI - Feb \$59.08, up 4 cents

RBOB - Feb \$1.6636, up 39 points

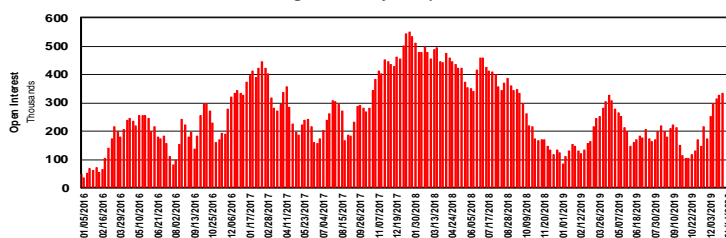
HO - Feb \$1.9316, up 31 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-20	1.9284	-0.0217	0.1317
Mar-20	1.9297	-0.0210	0.1296
Apr-20	1.9239	-0.0202	0.1216
May-20	1.9167	-0.0193	0.1151
Jun-20	1.9100	-0.0186	0.1089
Jul-20	1.9063	-0.0185	0.1059
Aug-20	1.9034	-0.0182	0.1028
Sep-20	1.9018	-0.0179	0.1004
Oct-20	1.8999	-0.0177	0.0986
Nov-20	1.8981	-0.0178	0.0970
Dec-20	1.8958	-0.0174	0.0958
Jan-21	1.8937	-0.0169	0.0942
Feb-21	1.8869	-0.0160	0.0905
Mar-21	1.8755	-0.0148	0.0847
Apr-21	1.8561	-0.0138	0.0795
May-21	1.8435	-0.0120	0.0749
Jun-21	1.8362	-0.0109	0.0719

Other Front Month NYMEX		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.99	\$58.9900	-\$0.4500
Crude - Brent		\$64.9800	-\$0.3900
Natural Gas		\$2.2020	\$0.0360
Gasoline		\$1.6596	\$0.0069

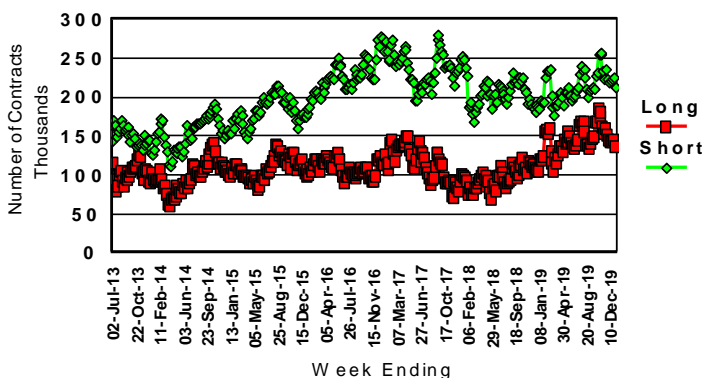
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 7, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

