

Market Commentary

Recap: Oil prices added to the more than 3% gain from the previous week, with WTI trading at its highest level since early May. Prices were boosted by the U.S. airstrike last week that killed a top ranking Iranian military commander, which raised concern over global supplies. February WTI traded at a high of \$64.72 a barrel, a gain of \$1.67, or 2.6% before paring gains for a settlement of \$63.27 a barrel, up 22 cents, or 0.35%. March Brent traded at a session high of \$70.74 before it too pared gains to settle at \$68.91 a barrel, up 32 cents, or 0.45%. Both WTI and Brent slipped below unchanged in post settlement trading. February RBOB slipped .0056, to settle at \$1.7544 a gallon, while February heating oil fell .0275, to settle at \$2.0339.

Technical Analysis: WTI broke above \$64.64, the 62% retracement remains within the long standing range established by the October low of \$51.27 and the April high of \$72.90, but quickly retreated. With prices slipping below unchanged in post settlement trading, we anticipate this market to encounter strong resistance and struggle to hold on to gains unless there is severe damage to supplies. Resistance is set at \$64.35-\$64.64 and above that at \$66.60. to the downside, support is set at \$62.08 and below that at \$61.39.

Fundamental News: According to a Reuters survey, OPEC's oil output fell in December as Nigeria and Iraq adhered more closely to pledged reductions and Saudi Arabia made further cuts. On average, the 14-member OPEC produced 29.5 million bpd in December, down 50,000 bpd from November's revised figure. OPEC's top producers, Saudi Arabia and Iraq, each cut their output by 50,000 bpd. OPEC's largest production decline of 80,000 bpd was in Nigeria. Compliance increased to 158% in December from 153% in November.

On Sunday US President, Donald Trump, threatened to impose sanctions on Iraq, if US troops were forced to withdraw from the country. Iraq's parliament called on Sunday for US and other foreign military forces to leave amid a growing backlash against the Soleimani's killing, which has heightened fears of a wider Middle East conflict. Iraqi Prime Minister, Adel Abdul Mahdi told the US ambassador to Baghdad that both countries should work together on implementing an Iraqi parliamentary resolution on the withdrawal of foreign troops. US President Donald Trump also threatened "major retaliation" against Iran if Tehran were to retaliate for the killing of one of its top military commanders.

The UN's IAEA acknowledged Iran's latest announcement on walking away from its nuclear containment deal with major powers and said it would report any developments promptly to its member states.

The new head of Iran's Quds force said he aimed to expel the US from the region after its commander, Qassem Soleimani, was killed in a US strike in Baghdad.

European Commission President, Ursula von der Leyen, said Iran must comply with the 2015 nuclear deal. She said the European Union is deeply concerned by Iran's announcement that it will not respect the limit set by the Joint Comprehensive Plan of Action any longer.

IIR Energy reported that US oil refiners are expected to shut in 263,000 bpd of capacity in the week ending January 10th, cutting available refining capacity by 142,000 bpd from the previous week. Offline capacity is expected to increase to 679,000 bpd in the week ending January 17th.

Early Market Call - as of 9:05 AM EDT

WTI - Feb \$62.71, down 56 cents

RBOB - Feb \$1.7303, down 2.37 cents

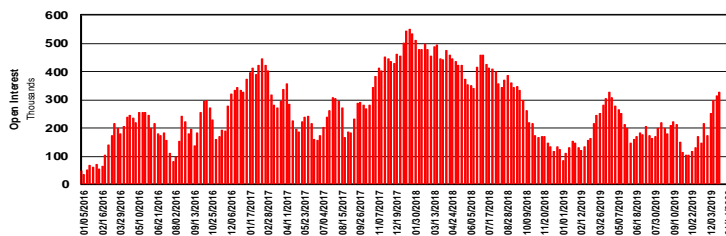
HO - Feb \$2.0200, down 1.39 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-20	2.0339	-0.0275	0.0087
Mar-20	2.0351	-0.0242	0.0025
Apr-20	2.0266	-0.0189	-0.0062
May-20	2.0163	-0.0155	-0.0117
Jun-20	2.0062	-0.0127	-0.0148
Jul-20	2.0009	-0.0113	-0.0154
Aug-20	1.9962	-0.0100	-0.0155
Sep-20	1.9928	-0.0094	-0.0156
Oct-20	1.9895	-0.0090	-0.0156
Nov-20	1.9864	-0.0087	-0.0155
Dec-20	1.9830	-0.0086	-0.0154
Jan-21	1.9795	-0.0084	-0.0154
Feb-21	1.9700	-0.0074	-0.0165
Mar-21	1.9536	-0.0066	-0.0162
Apr-21	1.9293	-0.0063	-0.0148
May-21	1.9124	-0.0060	-0.0129
Jun-21	1.9020	-0.0061	-0.0105

Other Front Month NYMEX		Close	Change
Crude - WTI	Mar Brent-	\$63.0400	\$0.2200
Crude - Brent	WTI Spread	\$68.9100	\$0.3100
Natural Gas	\$5.87	\$2.1350	\$0.0050
Gasoline		\$1.7544	\$0.0056

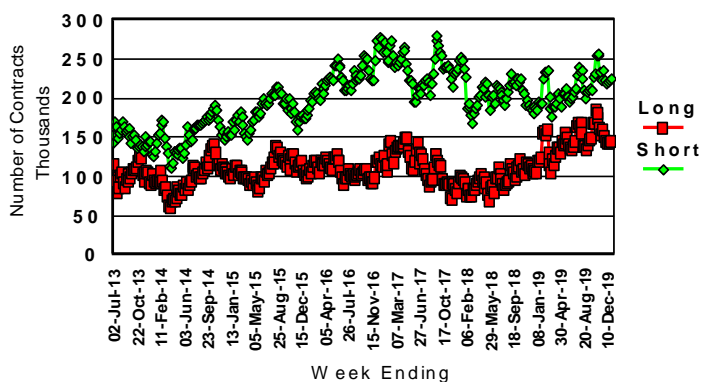
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending December 31, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

