

Market Commentary

Recap: Oil prices bounced back Friday, gaining strength from a positive jobs report out of the U.S. and on signs that U.S. sanctions on Venezuelan exports are adding to tightness in the market. Once March WTI broke above \$53.91, the top of the sideways trading pattern formed in overnight trading, it began a steady climb throughout most of the session. This spot contract gained as much as 3.4 percent, to reach a session high of \$55.66. Prices sold off midsession, dipping briefly back below \$55.00, as traders took light profits ahead of the weekend. Technical traders pushed March WTI back above \$55.00, forcing a settlement at \$55.26 a barrel, up \$1.47, or 2.73 percent. Prices tracking the front-month contracts logged for their highest finish since Nov. 19, after finishing January with a monthly rise of 18.5%, according to Dow Jones Market Data. For the week, they were up 2.9%. April Brent settled at \$62.75 a barrel, up \$1.91, or 3.14 percent. Prices based on the front-month contracts gained 15% for last month and were 1.8% higher for the week. March RBOB rose 4.3% to \$1.437 gallon, with front-month contract prices up 3% for last month, and March heating oil added 1.9% to \$1.913 a gallon, after a January rise of nearly 12% for front-month contracts.

Technical Analysis: WTI finally settled above the neckline on the inverse head and shoulders pattern. Now all we need is a test and bounce off of the neckline to secure the higher move. Should this occur, we would look for additional higher moves, with an upside objective of \$65.80. Support rests back at the neckline of \$54.32 and below that at \$53.19.

Fundamental News: Baker Hughes reported that U.S. energy firms this week cut the number of oil rigs operating for a fourth time in the past five weeks as some drillers follow through on plans to spend less on new wells this year. Drillers cut 15 oil rigs in the week ending February 1st, bringing the total rig count down to 847, the lowest level since May 2018.

The U.S. Treasury Department said entities outside the US have until April 28th to wind down their purchases of petroleum and petroleum products from PDVSA.

Iraq's Oil Ministry reported that the country's oil exports averaged 3.649 million bpd in January, down slightly from the previous month. Exports from Iraq's southern Basra ports fell to 3.556 million bpd, down from a record high of 3.63 million bpd in December. Shipments from Iraq's northern Kirkuk oilfields to the Turkish port of Ceyhan fell to 75,000 bpd from 99,000 bpd in December. Iraq exported 3.726 million bpd of oil in December.

IIR Energy reported that US oil refiners are expected to shut in 1.25 million bpd of crude oil in the week ending February 1st, cutting available refining capacity by 53,000 bpd from the previous week. IIR expects offline capacity to increase to 1.4 million bpd in the week ending February 8th.

Exxon Mobil's CEO, Darren Woods, sees good returns in the Permian Basin even if prices are in range of \$35 to \$40/barrel.

White House economic adviser, Larry Kudlow, said he expects forecasts of 3% US economic growth this year to hold. He also said that he did not see rising U.S. unemployment as increasing inflation.

Early Market Call - as of 8:30 AM EDT

WTI - Mar \$54.73, down 53 cents
RBOB - Mar \$1.4427, up 55 points
HO - Mar \$1.9073, down 59 points

All NYMEX | Prior Settlements

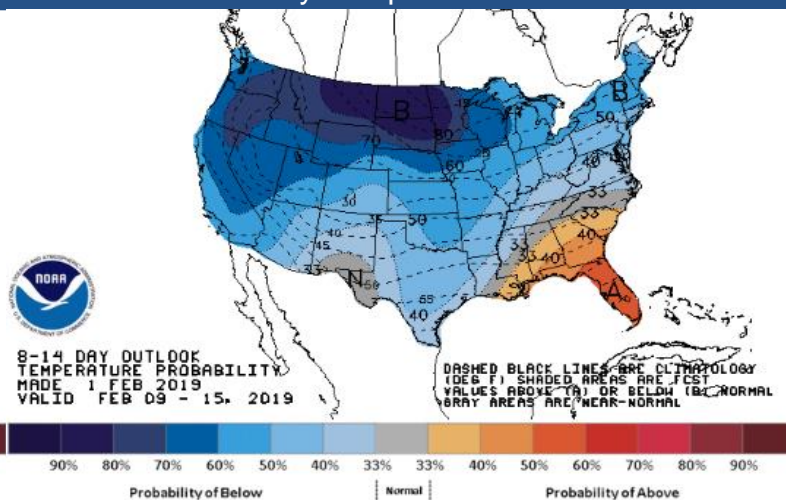
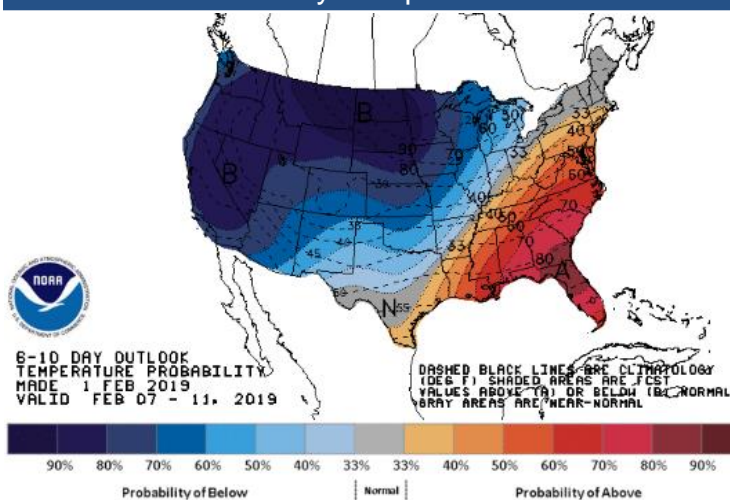
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-19	\$1.9073	\$0.0299	\$0.0206
Apr-19	\$1.9048	\$0.0349	\$0.0271
May-19	\$1.9075	\$0.0409	\$0.0314
Jun-19	\$1.9159	\$0.0469	\$0.0361
Jul-19	\$1.9251	\$0.0478	\$0.0361
Aug-19	\$1.9351	\$0.0490	\$0.0372
Sep-19	\$1.9442	\$0.0484	\$0.0365
Oct-19	\$1.9533	\$0.0485	\$0.0367
Nov-19	\$1.9612	\$0.0474	\$0.0363
Dec-19	\$1.9678	\$0.0461	\$0.0357
Jan-20	\$1.9686	\$0.0403	\$0.0300
Feb-20	\$1.9655	\$0.0366	\$0.0262
Mar-20	\$1.9553	\$0.0299	\$0.0193
Apr-20	\$1.9502	\$0.0350	\$0.0237
May-20	\$1.9487	\$0.0382	\$0.0253
Jun-20	\$1.9516	\$0.0427	\$0.0291
Jul-20	\$1.9538	\$0.0421	\$0.0285

Other Front Month NYMEX	Close	Change
Crude - WTI	\$55.5500	\$1.5100
Crude - Brent	\$62.7500	\$1.9100
Natural Gas	\$2.7340	-\$0.0800
Gasoline	\$1.4369	\$0.0593



NOAA 6-10 Day Temperature Outlook

NOAA 8-14 Day Temperature Outlook



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