

## Market Commentary

**Recap:** The crude market posted an outside trading session as the market was initially buoyed by hopes of increased Chinese demand while the builds in oil inventories reported by the EIA on Wednesday helped limit the market's gains. The market was also pressured as U.S. Federal Reserve officials said more interest rate hikes are on the cards as the bank continues with its efforts to lower inflation. The oil market breached its resistance at its previous high and 62% retracement level at \$78.57 and posted a high of \$78.84 early in the morning. However, the market erased its gains and extended its losses to \$1.95 as it posted a low of \$76.52. The crude market later bounced off its low and retraced some of its losses ahead of the close. The March WTI contract settled down 41 cents at \$78.06, halting a three day streak of gains and bringing prices back towards the middle of its recent trading range from \$72 to \$82. Meanwhile, the April Brent contract settled down 59 cents at \$84.50. The product markets also ended the session lower, with the heating oil market settling down 7.79 cents at \$2.8154 and the RB market settling down 1.53 cents at \$2.4475.

**Technical Analysis:** The oil market will continue to trade within its recent trading range from \$72 to \$82 as it balances the expectations of an increase in demand and expectations that the Federal Reserve will continue to raise rates. The market is seen finding support at its low of \$76.52, \$76.32, its 38% retracement level off a high of \$78.84 to a low of \$72.25, \$75.55, its 50% retracement level, \$74.77, \$74.35 and \$73.52. More distant support is seen at \$72.25. Meanwhile, resistance is seen at its high of \$78.84, \$79.73, \$80.49, \$82.48 and \$82.64-\$82.66.

**Fundamental News:** Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, February 7<sup>th</sup> totaled 41,782,289 barrels, down 234,906 barrels on the week but up 18,076 barrels from Friday, February 3<sup>rd</sup>.

BP Azerbaijan said Azeri crude oil exports from Turkey's Ceyhan port remain halted after sustaining earthquake damage, while Azeri crude oil continued flowing to Ceyhan via a pipeline. The company did not specify how many more days it could continue pumping before storage was filled. Sources previously told Reuters that there were 4 days' worth of storage capacity at the Sangachal terminal in Azerbaijan once Ceyhan hits its maximum. According to a source, exports of Azerbaijan's oil from Turkey are unlikely to resume this week because a control room at the port of Ceyhan suffered earthquake damage. Another source said loadings are unlikely until late next week.

Plains All American Pipeline LP expects crude oil production in the Permian Basin to increase by as much as 500,000 bpd in 2023, with horizontal oil rig counts consistent with current levels.

Oil and oil product exports from Russian Black Sea ports of Tuapse and Novorossiisk and from a terminal of the Caspian Pipeline Consortium are suspended due to a storm.

Euroilstock reported that European refiners' crude intake in January increased by 6.3% on the year and by 0.7% on the month to 9.75 million bpd, as they increased runs ahead of an EU ban on Russian oil product imports. European refiners' crude and oil product stocks stood at 1.004 billion barrels in January, up 1.3% on the year and by 1% on the month.

According to Energy Aspects, China's state-owned oil majors have increased Russian imports in a sign that China is ready to approve more purchases of the country's crude. PetroChina Co and CNOOC Ltd recently resumed imports of waterborne Russian oil, with at least three supertankers of Urals grade crude signaling China as a destination.

**Early Market Call - as of 8:50 AM EDT**

WTI - March \$79.09, up \$1.03  
 RBOB - March \$2.4921, up 4.46 cents  
 HO - March \$2.8826, up 6.72 cents

## All NYMEX | Prior Settlements

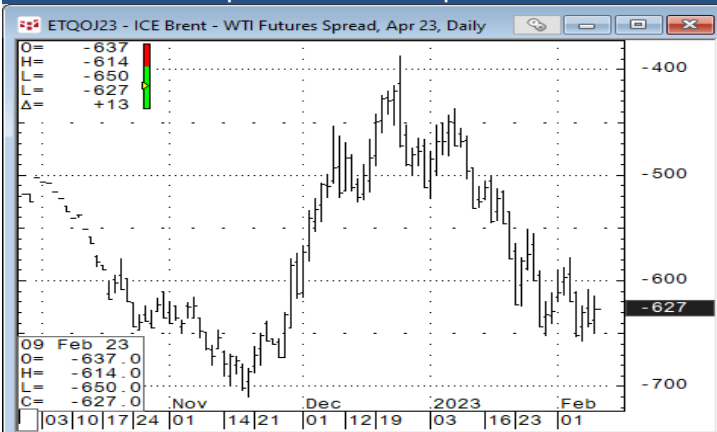
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-23	2.8154	-0.0779	-0.0813
Apr-23	2.7853	-0.0723	-0.0425
May-23	2.7329	-0.0662	-0.0316
Jun-23	2.6985	-0.06	-0.0227
Jul-23	2.683	-0.0573	-0.023
Aug-23	2.6744	-0.0558	-0.0234
Sep-23	2.6717	-0.0556	-0.0241
Oct-23	2.668	-0.0552	-0.024
Nov-23	2.6613	-0.0551	-0.0229
Dec-23	2.6518	-0.0546	-0.0221
Jan-24	2.6442	-0.054	-0.0214
Feb-24	2.6337	-0.0536	-0.022
Mar-24	2.6153	-0.0533	-0.0241
Apr-24	2.59	-0.0531	-0.0289
May-24	2.5752	-0.0523	-0.0326
Jun-24	2.5639	-0.0519	-0.0356
Jul-24	2.5593	-0.0507	-0.0363

Sprague HeatCurve October 2023-April 2024			\$2.6380
		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$6.23	\$78.2700	-\$0.4200
Crude - Brent		\$84.5000	-\$0.5900
Natural Gas		\$2.4300	\$0.0340
Gasoline		\$2.4475	-\$0.0153

## EIA Working Gas Storage Report

	03-Feb-23	27-Jan-23	Change	03-Feb-22
East	529	578	-49	493
Midwest	641	708	-67	561
Mountain	120	132	-12	123
Pacific	124	140	-16	183
South Central	951	1025	-74	774
Salt	271	297	-26	210
Nonsalt	680	728	-48	563
Total	2366	2583	-217	2,133

## ICE April Brent-WTI Spread



## March WTI

