

Market Commentary

Recap: After spiking in January in response to the U.S. drone attack that killed Iran's top military agent, oil prices slid a painful 15%, the biggest January slide since 1991, as the coronavirus, which originated in China, spreads global fears of a slowdown in economic growth. Adding to the pressure on oil prices was larger than expected builds in U.S. crude oil inventories, which according to the EIA rose by 3.5 million barrels in the week ending January 24. However, crude oil has found some support given the current supply situation and demand outlook, as OPEC could extend oil output cuts. OPEC and Russia have been trying to stabilize prices through production. WTI for March delivery fell by 58 cents, or 1.11, to \$51.56 a barrel, the lowest spot month settlement since Aug 7. This represents a weekly loss of 4.9%. March Brent went off the board at \$58.16 a barrel, down 13 cents, or 0.2%, for a weekly loss of 4.2%. The April contract, the new spot shed 44 cents, or 0.8%, to \$56.89 a barrel. February RBOB lost 0.3% to \$1.4887 a gallon, with prices down over 12% for the month. February heating oil fell 0.9% to \$1.6245 a gallon, for a monthly loss of nearly 20%—the largest since March 2015 and lowest settlement since August 2017. The February contracts expired at the day's settlement.

Technical Analysis: Crude oil prices fell sharply on the week, as it tested key support. While this market will continue to encounter support, demand concern will continue to rear its ugly head. Based upon previous performance, we expect this market to continue to encounter support at current levels. Support is set at \$51.00 below that at \$50.00. Resistance is set at \$53.30 and above that at \$54.29.

Fundamental News: Baker Hughes reported that US energy firms reduced the number of oil rigs operating for the first time in three weeks as producers follow through on plans to cut spending on new drilling. Energy companies cut the number of oil rigs by 1 in the week ending January, bringing the total count down to 675.

The EIA reported that US crude oil production increased by 203,000 bpd to a record high of 12.9 million bpd in November.

OPEC's oil output fell in January to a multi-year low as Saudi Arabia and other Gulf members exceeded their pledged output cuts in January. On average, OPEC's total oil output stood at 28.35 million bpd in January. The ten OPEC members bound by the agreement cut their production to 24.76 million bpd in January from 25.04 million bpd in December. They complied with 133% of the pledged cuts in January. Saudi Arabia's oil output in January fell to 9.72 million bpd from 9.8 million bpd in December.

Russia's Energy Minister, Alexander Novak, said that OPEC+ countries may react if there are significant consequences to the oil market due to the outbreak of coronavirus. He said that the oil producing countries have discussed bringing forward the March OPEC+ meeting, adding that they need several more days to monitor the situation.

Royal Dutch Shell's Nigerian subsidiary SPDC lifted a force majeure on Bonny Light crude exports on Friday morning. It had been in effect since January 20th, following the shutdown of the Nembe Creek Trunk Line and declaration of a force majeure by the pipeline's operator, Aiteo. The operator announced the completion of repairs on Tuesday.

IIR Energy reported that US oil refiners are expected to shut in 641,000 bpd of capacity in the week ending January 31st, increasing available refining capacity by 442,000 bpd from the previous week. It also expects offline capacity to increase to 734,000 bpd in the week ending February 7th and fall to 567,000 bpd in the subsequent week.

Early Market Call - as of 9:22 AM EDT

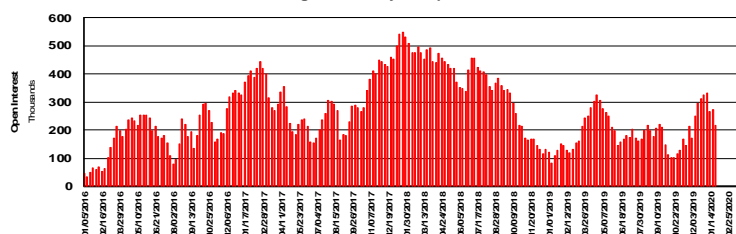
WTI - Mar \$51.14 down 42 cents
RBOB - Mar \$1.4908 down 1.33 cents
HO - Mar \$1.6057 down 2.27 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-20	1.6245	-0.0151	0.1056
Mar-20	1.6284	-0.0136	0.1090
Apr-20	1.6310	-0.0133	0.1092
May-20	1.6358	-0.0124	0.1075
Jun-20	1.6419	-0.0116	0.1042
Jul-20	1.6489	-0.0106	0.1004
Aug-20	1.6562	-0.0100	0.0972
Sep-20	1.6644	-0.0096	0.0941
Oct-20	1.6722	-0.0092	0.0905
Nov-20	1.6787	-0.0088	0.0871
Dec-20	1.6836	-0.0087	0.0840
Jan-21	1.6889	-0.0092	0.0810
Feb-21	1.6903	-0.0096	0.0774
Mar-21	1.6865	-0.0096	0.0732
Apr-21	1.6769	-0.0095	0.0685
May-21	1.6745	-0.0092	0.0637
Jun-21	1.6743	-0.0086	0.0593

Other Front Month NYMEX		Close	Change
Crude - WTI	Mar Brent-	\$51.5600	-\$0.5800
Crude - Brent	WTI Spread	\$58.1600	-\$0.1300
Natural Gas	\$6.60	\$1.8410	\$0.0120
Gasoline		\$1.4887	-\$0.0050

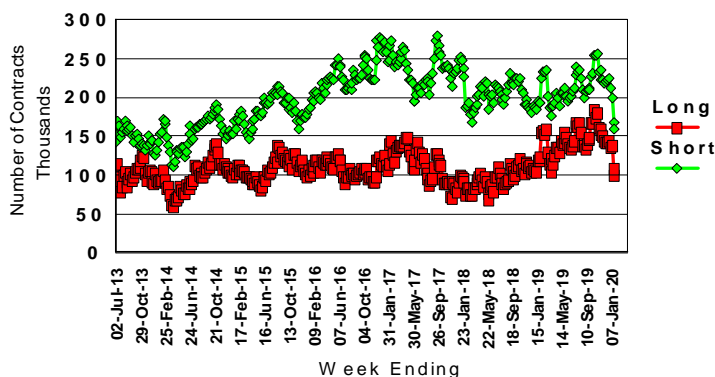
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 28, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

