

Market Commentary

Fundamental News: US President, Donald Trump, said he and China's President, Xi Jinping, will have a signing ceremony to sign the first phase of the US-China trade deal agreed to this month.

China will lower tariffs on products ranging from frozen pork and avocado to some types of semiconductors next year as Beijing looks to increase imports. Next year, China will implement temporary import tariffs on more than 850 products. By comparison, 706 products were taxed at temporary rates in 2019. China's Finance Ministry said the tariff changes were made to "increase imports of products facing a relative domestic shortage, or foreign specialty goods for everyday consumption."

Kuwait and Saudi Arabia agreed to divide their shared Neutral Zone and resume up to 500,000 bpd of oil production from two joint oilfields there. Kuwaiti Foreign Minister, Sheikh Ahmad Nasser al-Mohammad al-Sabah and Saudi Minister of Energy, Prince Abdulaziz bin Salman signed agreements in Kuwait. Two countries halted production from the Khafji and Wafra fields, which produced about 500,000 bpd in 2014 and 2015, respectively.

Chevron expects Saudi-Kuwaiti Neutral Zone's Wafra oilfield to return to full production within 12 months. Kuwait and Saudi Arabia signed a deal aiming to end their five-year dispute over the Neutral Zone and resume production which can amount to up to 0.5% of global oil supply.

Total said that its 102,000 bpd Grandpuits refinery was continuing to produce at reduced flow after CGT union voted to halt output at the plant as part of a nationwide protest against a planned pensions reform. The refinery will continue to produce until December 30th when the union will hold another general assembly meeting.

Curacao's state-run refining company, Refineria di Korsou, said it signed an agreement with industrial commodities conglomerate Klesh Group to operate the island's 335,000 bpd Isla refiner and storage facilities. The asset purchase and sale agreement, signed on Sunday, entails the sale of the Isla complex including its oil storage terminal, with a long lease on the land. The agreement would put Kresch in charge of the Bullenbay oil terminal, with its 17.75 million barrels of storage and blending capacity.

Early Market Call - as of 9:35 AM EDT

WTI - Feb \$61.45, up 34 cents
RBOB - Jan \$1.7478, up 2.1 cents
HO - Jan \$20477, up 1.12 cents

All NYMEX | Prior Settlements

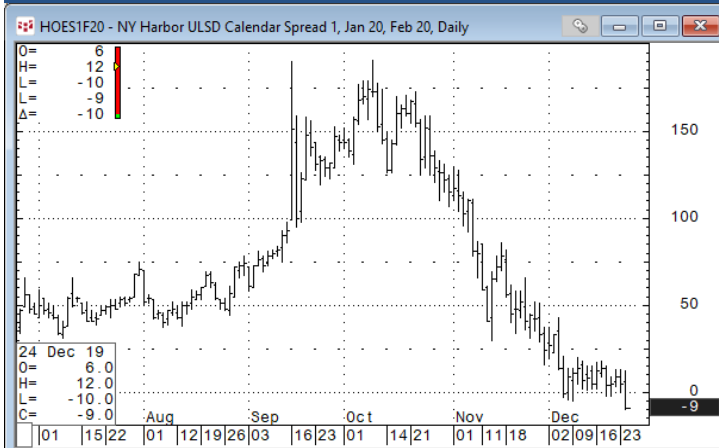
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-20	2.0363	0.0141	-0.0029
Feb-20	2.0373	0.0152	0.0014
Mar-20	2.0303	0.0153	-0.0087
Apr-20	2.0130	0.0148	-0.0110
May-20	1.9978	0.0147	-0.0130
Jun-20	1.9847	0.0146	-0.0136
Jul-20	1.9787	0.0144	-0.0143
Aug-20	1.9738	0.0141	-0.0144
Sep-20	1.9706	0.0138	-0.0140
Oct-20	1.9678	0.0135	-0.0133
Nov-20	1.9655	0.0134	-0.0130
Dec-20	1.9627	0.0138	-0.0129
Jan-21	1.9597	0.0137	-0.0124
Feb-21	1.9496	0.0133	-0.0116
Mar-21	1.9344	0.0129	-0.0106
Apr-21	1.9129	0.0119	-0.0094
May-21	1.8987	0.0116	-0.0088

Other Front Month NYMEX		Close	Change
Crude - WTI	Feb Brent-	\$61.1100	\$0.5900
Crude - Brent	WTI Spread	\$67.2000	\$0.8100
Natural Gas	\$6.09	\$2.1720	-\$0.0420
Gasoline		\$1.7270	\$0.0219

API Report for the Week Ending December 20, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 7.9 million barrels	Down 3 million barrels
Cushing, OK Crude Stocks	Down 2.2 million barrels	
Gasoline Stocks	Up 566,000 barrels	Up 1.5 million barrels
Distillate Stocks	Up 1.68 million barrels	Up 200,000 barrels
Refinery Runs	Down 514,000 b/d	Up 0.5% at 91.1%

Heating Oil Jan-Feb Spread



RBOB Jan-Feb Spread

