

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices climbed to their highest level in more than 3-years, but remarks about the U.S. dollar by President Trump pushed the dollar higher, which in turn pressured oil prices. March WTI topped the session at \$66.66 a barrel, while Brent for March delivery peaked at \$71.28 a barrel. Spot WTI fell 10 cents, or 0.15%, to settle at \$65.51 a barrel, with March Brent falling 11 cents, or .016%, settling at \$70.42 a barrel. Prices continued to slide in post settlement trading, reaching back to the lows of the day.

February RBOB fell less than 01\$, to settle at \$1.915 a gallon, while February heating oil added 0.4% to \$2.115 a gallon.

Fundamental News: More than two dozen small US refineries are seeking waivers from the country's biofuels law, an unusually high number that reflects increasing oil industry resistance to the program. Prices for renewable fuel credits for 2018 fell to 61 cents in early trading on Thursday, a nearly eight-month low and down from 64 cents on Wednesday. The requests to the US EPA add pressure to the Trump administration to help an industry that claims the US Renewable Fuel Standard costs it billions of dollars a year by requiring refiners to blend increasing volumes of biofuels like ethanol into gasoline and diesel. The EPA is currently reviewing 27 waiver applications from small refineries covering multiple years. The EPA has the authority to grant exemptions from the program to refineries with a capacity under 75,000 bpd if the company can demonstrate financial hardship but the agency has been reluctant to do so in the past.

At least two diesel tankers were provisionally booked to load in Europe with options for delivery in Latin America.

TransCanada Corp's CEO, Russ Girling, said he does not see a route change for the proposed Keystone XL pipeline through Nebraska as a major issue, and that the Canadian company was advancing the project by acquiring land. He said TransCanada was committed to moving the project forward.

Saudi Arabia's Energy Minister, Khalid al-Falih, said Aramco's IPO will take place when the time is right. He said "we hope that 2018 will be the right time but ultimately we have to make sure the market is ready."

Gasoline stocks held in the Amsterdam-Rotterdam-Antwerp terminal in the week ending January 25th fell by 5.46% on the week and by 17.91% on the year to 1.004 million tons. Gasoil stocks increased by 3.21% on the week but fell by 13.14% on the year to 2.863 million tons while fuel oil stocks increased by 28.43% on the week and by 69.31% on the year to 1.048 million tons.

China's implied crude stocks for 2017 increased at the fastest pace since 2004. According to Bloomberg calculations based on data from China's National Bureau of Statistics and the General Administration of Customs, the country bought about 815,000 bpd of surplus crude in 2017.

China's General Administration of Customs reported that the country exported no oil products to North Korea in December except for a small cargo of jet fuel. China sold 5 tons of jet fuel to North Korea but did not send any other oil products, marking the third consecutive month of no diesel, gasoline or fuel oil shipments.

Colonial Pipeline is allocating Cycle 8 shipments on Line 2, its main distillate line from Houston, Texas to Greensboro, North Carolina.

Early Market Call - as of 9:00 AM EDT

WTI - Mar \$65.49, down 2 cents
 RBOB - Feb \$1.9068, down 86 points
 HO - Feb \$2.1153, down 6 points

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-18	\$2.1154	\$0.0093	\$0.0537
Mar-18	\$2.1104	\$0.0081	\$0.0518
Apr-18	\$2.0914	\$0.0066	\$0.0460
May-18	\$2.0742	\$0.0060	\$0.0403
Jun-18	\$2.0612	\$0.0044	\$0.0361
Jul-18	\$2.0551	\$0.0034	\$0.0328
Aug-18	\$2.0493	\$0.0027	\$0.0297
Sep-18	\$2.0461	\$0.0027	\$0.0282
Oct-18	\$2.0427	\$0.0019	\$0.0268
Nov-18	\$2.0410	\$0.0012	\$0.0258
Dec-18	\$2.0392	\$0.0005	\$0.0251
Jan-19	\$2.0375	\$0.0004	\$0.0246
Feb-19	\$2.0313	\$0.0003	\$0.0249
Mar-19	\$2.0167	-\$0.0002	\$0.0242
Apr-19	\$1.9959	-\$0.0005	\$0.0234
May-19	\$1.9822	-\$0.0008	\$0.0217
Jun-19	\$1.9741	-\$0.0011	\$0.0210
Jul-19	\$1.9699	-\$0.0017	\$0.0207

		Close	Change
Crude - WTI	Mar Brent- WTI Spread \$4.91	\$65.5100	-\$0.1000
Crude - Brent		\$70.4200	-\$0.1100
Natural Gas		\$3.4470	-\$0.0620
Gasoline		\$1.9154	-\$0.0010

EIA Natural Gas Storage Report

	19-Jan-17	12-Jan-17	Change	Year Ago
East	555	614	-59	602
Midwest	634	717	-83	762
Mountain	145	158	-13	174
Pacific	233	244	-11	237
South Central	729	851	-122	1,039
Salt	151	206	-55	323
Nonsalt	578	646	-68	716
Total	2,296	2,584	-288	2,815

ICE March WTI-Brent Spread

8-14 Day Weather Forecast

