

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices, which were heading lower early in the session, reversed course after the release of the EIA report, which indicated U.S. crude oil stocks fell 1.6 million. In its initial reaction, April WTI jumped sharply, tacking on more than \$21 before falling into a 30 cent range mid-session. A second wave of strength surfaced as prices gained traction from a falling dollar. This in conjunction with declining stockpiles held at Cushing, OK and a backup of Canadian supplies, pushed oil prices to a fresh weekly high. WTI traded above \$63 a barrel for the first time in three weeks before paring gains to settle at \$62.77 a barrel, up \$1.09, or 1.77. April Brent finished up 97 cents, or 1.48%, settling at \$66.39 a barrel.

April rose 1.61 cents to settle at \$1.9607 a gallon, while heating oil rose 2.15 cents to \$1.9536 a gallon.

Fundamental News: The UAE's Energy Minister, Suhail Al-Mazrouei, said that the current oil price level was not encouraging the flow of investments that the oil industry needs. He also stated that OPEC was not targeting a specific oil price but rather seeking a balanced oil market. Iraq's crude oil exports from its southern ports on the Gulf stand at 3.5 million bpd so far in February.

Iran's Deputy Foreign Minister, Abbas Araqchi, said Iran will withdraw from the 2015 nuclear deal if there is no economic benefit and major banks continue to fail to do business with the country. Under the deal with Britain, China, France, Germany, Russia and the US, Iran agreed to restrict its nuclear program in return for the removal of sanctions that have impacted its economy. Despite that, big banks have continued to stay away for fear of falling foul of remaining US sanctions. He also stated that even if Trump relents and issues new waivers to continue suspending those sanctions, the existing situation is unacceptable for Iran.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp hub in the week ending February 22nd increased by 4.68% on the week and by 15.59% on the year to 1.342 million tons. Gasoil stocks fell by 0.88% on the week but increased by 2.06% on the year to 3.025 million tons while fuel oil stocks increased by 18.36% on the week and by 21.78% on the year to 1.012 million tons.

OPEC's Joint Ministerial Monitoring Committee said that OPEC and its non-OPEC allies achieved a record implementation of their agreed supply cuts of 133% in January. It said it will strive to maintain or exceed full compliance of the whole of 2018.

A senior official from Azerbaijan's SOCAR, said Azerbaijan is ready to act in line with OPEC decisions on oil output and plans to keep production stable in 2018. The country's oil production stood at 814,600 bpd in January, up slightly from 810,000 bpd in December. The official said the country would limit its oil production, if OPEC continues this approach.

The chief operating officer of the Nigerian National Petroleum Corporation, Babatunde Victor Adeniran, said Nigeria's oil production is currently at 2.2 million bpd and is set to increase to 2.5 million bpd by year end. The country aims to increase its production to 3 million bpd by 2020.

A Libyan oil source said oil production at Libya's El Feel oilfield has not been affected so far by ongoing protests, and the oilfield is pumping about 70,000 bpd. Some workers at the field were evacuated after guards withdrew in a protest over pay.

Early Market Call - as of 10:00 AM EDT

WTI - Apr \$62.95, up 19 cents

RBOB - Mar \$1.7766, up 1.07 cents

HO - Mar \$1.9555, up 33 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-18	\$1.9527	\$0.0204	\$0.0611
Apr-18	\$1.9536	\$0.0215	\$0.0650
May-18	\$1.9498	\$0.0222	\$0.0667
Jun-18	\$1.9449	\$0.0228	\$0.0674
Jul-18	\$1.9428	\$0.0219	\$0.0669
Aug-18	\$1.9413	\$0.0210	\$0.0670
Sep-18	\$1.9415	\$0.0203	\$0.0672
Oct-18	\$1.9408	\$0.0195	\$0.0664
Nov-18	\$1.9397	\$0.0190	\$0.0655
Dec-18	\$1.9377	\$0.0187	\$0.0643
Jan-19	\$1.9367	\$0.0183	\$0.0634
Feb-19	\$1.9329	\$0.0182	\$0.0625
Mar-19	\$1.9240	\$0.0174	\$0.0603
Apr-19	\$1.9060	\$0.0161	\$0.0575
May-19	\$1.8945	\$0.0145	\$0.0544
Jun-19	\$1.8864	\$0.0130	\$0.0502
Jul-19	\$1.8843	\$0.0122	\$0.0483
Aug-19	\$1.8848	\$0.0115	\$0.0471

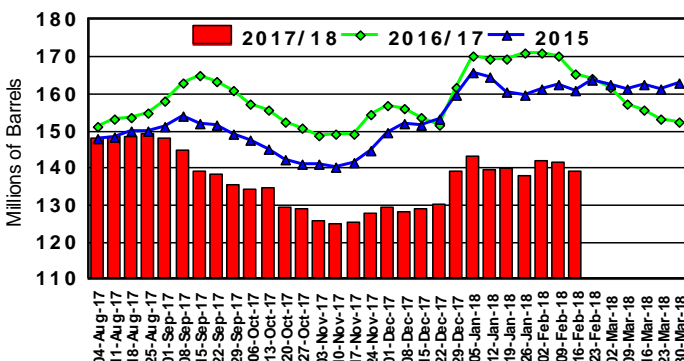
		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$3.62	\$62.7700	\$1.0900
Crude - Brent		\$66.3900	\$0.9700
Natural Gas		\$2.6340	-\$0.0250
Gasoline		\$1.7657	\$0.0084

EIA Natural Gas Storage Report

	16-Feb-17	09-Feb-17	Change	Year Ago
East	403	432	-29	438
Midwest	428	468	-40	616
Mountain	111	122	-11	147
Pacific	204	213	-9	206
South Central	614	649	-35	962
Salt	175	178	-3	329
Nonsalt	440	472	-32	633
Total	1,760	1,884	-124	2,369

EIA Weekly Petroleum Status Report for the Week Ending February 16, 2018

Distillate Stocks Total U.S.



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.616 million barrels

Cushing, OK Crude Stocks Down 2.664 million barrels

Gasoline Stocks Up 261,000 barrels

Distillate Stocks Down 2.422 million barrels

Refinery % Operated 88.1%, Down 1.7%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Feb 16, 2018	Week Ending Feb 09, 2018	Week Ending Feb 17, 2017
New England	8.5	8.3	11.8
Central Atlantic	27.3	26.4	38.3
Total PADD #1	48.5	46.7	63.5
Distillate Imports (thousands b/d)	215	228	96