

Market Commentary

Recap: Oil prices fell for the second time in seven weeks, pressured by strength in the dollar following a stellar U.S. jobs report. Friday's sell-off stymied the rally that began at the onset of the New Year, which was sparked by healthy global demand and OPEC's adherence to output cuts. With the lack of any new fundamentals combined with the fact that prices held within the previous weeks range, and settled lower on the week, we could see follow through selling at the onset of next week's trading. March WTI fell 35 cents, or 0.53%, to settle at \$65.45 a barrel, down 1.04% on the week. Brent for April delivery slipped \$1.07, or 1.54%, to settle at \$68.58 a barrel, down 2.75% on the week.

March RBOB fell 1.3% to \$1.872 a gallon, with the contract down about 2.8% for the week. March heating oil fell 1.8% to \$2.054 a gallon, to lose roughly 3.5% on the week.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil increased for the second consecutive week. Drillers added 6 oil rigs in the week ending February 2nd, bringing the total count up to 765, the highest level since August 2017.

EIA data showed that US exports of refined products increased by 192,000 bpd to a new record high of 5.624 million bpd in November, driven largely by exports of gasoline and diesel to Mexico. US refiners exported 1.4 million bpd of refined products to Mexico in November, up from 1.123 million bpd in October and up from 994,000 bpd in November 2016. The November exports included 655,000 bpd of finished gasoline and 336,000 bpd of distillate fuel. Mexico's Pemex has been importing refined products, primarily from the US, as its refineries have been operating well below capacity. Pemex processed 560,000 bpd of crude in December, a total utilization rate of 35%.

Russia's Transneft said oil loadings from the Black Sea port of Novorossiysk were suspended due to a storm. The storm began on Thursday evening and is forecast to end on Saturday evening.

Separately, Russian oil shipped by Transneft to ports for export totaled 2.457 million bpd in January, unchanged on the month.

Russia's Energy Minister, Alexander Novak, said that the country's oil output in January fell by 301,200 bpd compared to its October 2016 output level of 11.247 million bpd, which was set as the benchmark in the OPEC and non-OPEC production cut agreement. He said Russia was fully complying with its duties outlined in the joint agreement with OPEC.

According to Russian Energy Ministry data, Russia's oil output stood at 10.95 million bpd in January, virtually unchanged from December, as increases at foreign-led projects outweighed declines at Rosneft and Lukoil. This was almost in line with Russia's pledge to cut output by 300,000 bpd from a record 11.247 million bpd reached in October 2016, as part of a deal with OPEC to crude inventories. Meanwhile, Russia's natural gas production was 65.35 billion cubic meters last month, or 2.11 bcm/day, compared with 63.5 bcm in December.

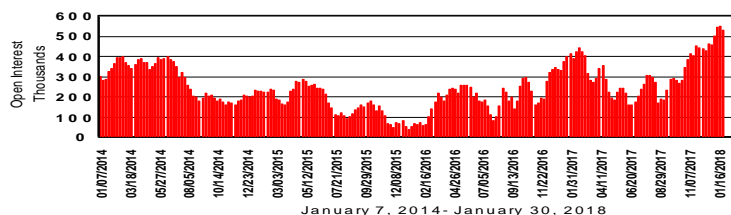
Early Market Call - as of 9:00 AM EDT
WTI - Mar \$65.01, down 45 cents
RBOB - Mar \$1.8580, down 1.43 cents
HO - Mar \$2.0301, down 2.42 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)		Change In One Week
	Close	Prior Settle	
Mar-18	\$2.0535	-\$0.0369	-\$0.0740
Apr-18	\$2.0441	-\$0.0342	-\$0.0578
May-18	\$2.0325	-\$0.0318	-\$0.0491
Jun-18	\$2.0218	-\$0.0300	-\$0.0451
Jul-18	\$2.0154	-\$0.0295	-\$0.0433
Aug-18	\$2.0092	-\$0.0292	-\$0.0420
Sep-18	\$2.0064	-\$0.0288	-\$0.0401
Oct-18	\$2.0032	-\$0.0285	-\$0.0388
Nov-18	\$2.0012	-\$0.0283	-\$0.0383
Dec-18	\$1.9991	-\$0.0284	-\$0.0385
Jan-19	\$1.9971	-\$0.0281	-\$0.0387
Feb-19	\$1.9908	-\$0.0279	-\$0.0388
Mar-19	\$1.9775	-\$0.0272	-\$0.0372
Apr-19	\$1.9577	-\$0.0265	-\$0.0360
May-19	\$1.9447	-\$0.0263	-\$0.0353
Jun-19	\$1.9372	-\$0.0258	-\$0.0345
Jul-19	\$1.9344	-\$0.0253	-\$0.0332
Aug-19	\$1.9338	-\$0.0244	-\$0.0324

		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$3.51	\$65.0700	-\$0.4800
Crude - Brent		\$68.5800	-\$1.0700
Natural Gas		\$2.8460	-\$0.0100
Gasoline		\$1.8720	-\$0.0238

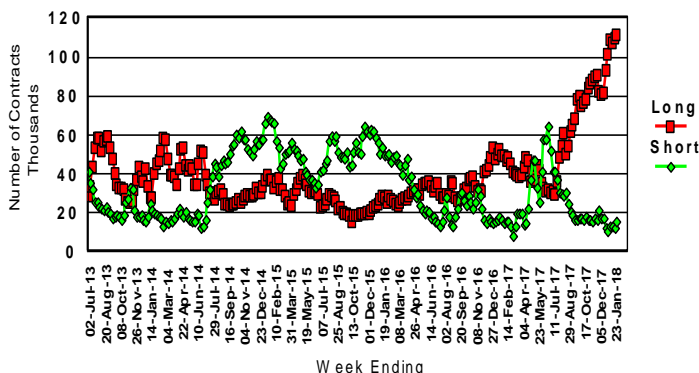
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 30, 2018

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

