



CHS AM Energy Update

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Today's Market News

- **EIA Short Term Energy Outlook:** EIA's first Short-Term Energy Outlook (STEO) to include forecasts out into 2022, shows jet fuel and diesel demand will approach pre-coronavirus levels in 2022. The administration forecasts 2022 jet fuel demand recovery just 1.7% lower than 2019. Diesel consumption has been less affected, and is expected to recover more quickly. Gasoline is a different story, where their predictions show demand will continue to lag.
- **Oil and Product Stocks:** U.S. crude oil stocks fell, and refined product inventories rose. According to API data Tuesday, WTI oil was said to have fallen by 5.8 m/b on expectations of a decrease of 2.3 m/b. Gasoline stocks were reported to have risen by 1.9 m/b and distillates rose 4.4 m/b, both with increase expectations of 2.7 m/b.
- **Weekly Energy Reports:** Today: EIA Energy stocks 9:30am CST; Thursday: Export Sales, Jobless Claims 7:30am CST
- **Market Opinion:** Oil prices are extending gains after API showed the larger than expected inventory drop on oil stocks. In overnight news, reports show Reuters is sticking by their predictions for the EIA to show a draw on crude of 2.26 m/b, which at that number will still be viewed as bullish – however the confirmation of another 5.8 m/b, per the API report, gives even more strength to the bull's camp.

Energy Highlights - Please call your account manager for larger chart.



Heating Oil Daily Chart

Heating oil has been on the same trajectory as crude oil, following the breakout to the upside. There has been little technical resistance to \$1.60. The next upside target comes in at \$1.6150 and then to \$1.6311. Support starts at \$1.5709. The RSI (bottom of chart) is at overbought value of 75.89. In general, when the RSI is at values of 70 or above, this indicates that a market is overbought or overvalued and may be primed for a trend reversal or corrective pullback in price.

Contract	NYMEX as of 7:55 AM	Support	Resistance
FEB RBOB	↑ 0.0167 @ 1.5696	1.5550	1.5927
FEB HO	↑ 0.01 @ 1.6067	1.5709	1.6150
FEB Crude	↑ 0.38 @ 53.60	49.56	54.50