



INCORPORATED

CHS AM Energy Update

January 19, 2021

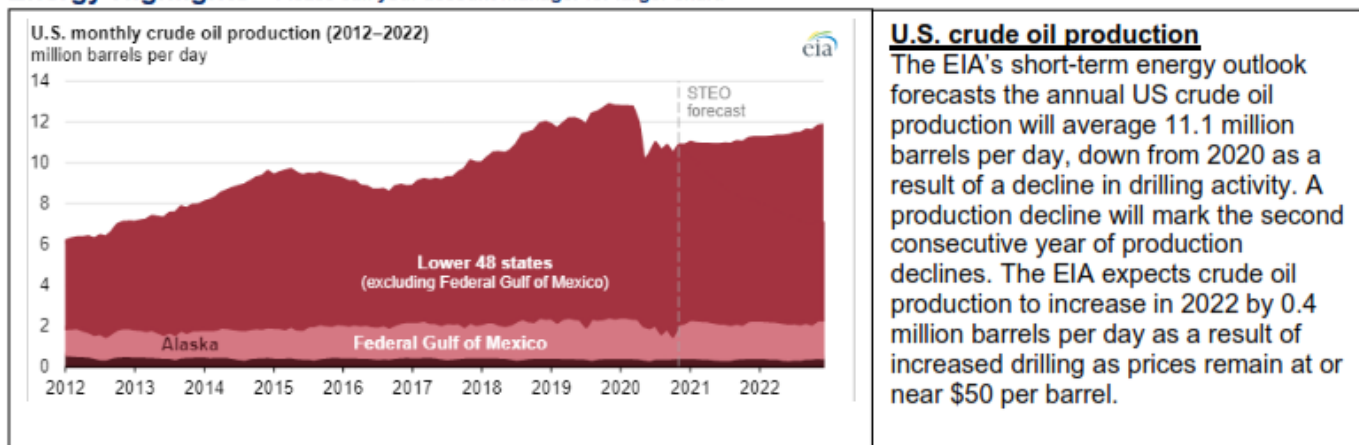
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Today's Market News

- **Covid-19:** The recovery seen after Covid-19 restrictions crashed the markets in early 2020 will likely take a hit from a spike in new cases before vaccine rollouts and stimulus measures help in the second half of the year. Border closures, social distancing measures and lockdowns will continue to be a hindrance to fuel demand until we can get ahead of this virus.
- **Canadian diplomatic efforts:** Yesterday's announcement that Biden will look to cancel the Keystone XL permit sent shares in the KXL lower and has prompted Alberta to retain legal counsel as they believe there was a very solid legal basis to seek damages under international free trade agreements if the project is indeed killed. According to PM Trudeau, they have still not received a decision from the Biden administration at this point.
- **Russia:** Russia has detained opposition political leader Alexei Navalny after he flew back into the country. This was the first time he had flown back to the country after being poisoned with a military-grade nerve agent last summer. Some Western countries are calling for sanctions against Russia because of the detention.
- **Market Opinion:** The energy complex is mixed this morning. The IEA cut its outlook for oil demand in 2021 but pointed to a recovery in demand in the 2nd half of the year. Investors will be watching US oil inventory data from the API report which will be released on Wednesday, the same day as Biden's inauguration speech, which will likely give details of the country's \$1.9 trillion dollar aid package.

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



Contract		NYMEX as of 7:33 AM	Support	Resistance
FEB RBOB	↑	0.0065 @ 1.5349	1.4196	1.5495
FEB HO	↑	0.0006 @ 1.5935	1.5830	1.6230
FEB Crude	↑	0.12 @ 52.48	50.62	53.93