



CHS AM Energy Update

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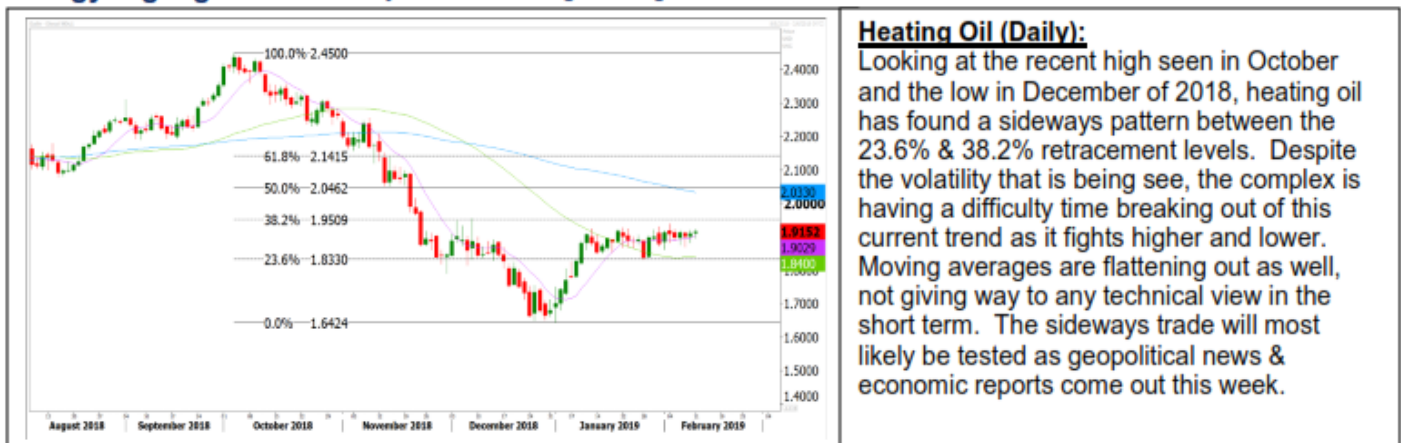
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Today's Market News

- **New Competition for the U.S.:** With Iran on the sidelines, U.S. crude oil has nearly replaced all Iranian oil in Europe. Nearly 630,000 barrels per day are being seen from the United States. Higher U.S. crude exports have been helped by lower supplies of Iranian and Venezuelan crude. According to some analysts, As the world moves to tighter marine fuel regulations, the call for more WTI will most likely rise.
- **Venezuela Oil Output:** Analysts and consulting firms are predicting that Venezuelan Crude oil production will plummet to 680,000 barrels per day in 2020, from 1.34 million bpd at the end of 2018. Venezuela currently imports 60,000 bpd of naphtha from the United States.
- **Russia Getting Cold Feet:** Igor Sechin, head of Russian oil giant Rosneft, is voicing his opinion that Moscow's deal with OPEC to cut production is a strategic threat and plays into the hands of the United States. There's not guarantee that Putin will back Sechin's idea, but the letter Sechin wrote to Putin has Sr. officials thinking he wants the deal to come to an end.
- **U.S. Rig Count:** The Baker Hughes report from Friday indicated that oil rigs in the U.S. were up 7 to 854 and gas rigs were down 3 to 195. Overall, the U.S. rig count is up 74 from last year's count of 975, with oil rigs up 63 and gas rigs up 11.
- **Market Opinion:** The energy complex is starting the day out a little softer after last weeks rig count indicated the continuation of strong U.S. production. Look for EIA's inventory report and monthly outlook report (Wednesday) and the February OPEC report (Tuesday) to be market movers this week.

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



Contract		NYMEX as of 7:21AM		Support	Resistance
MAR RBOB	↓	0.0018 @	1.4446	1.4308	1.4677
MAR HO	↑	0.0080 @	1.9165	1.8500	1.9235
MAR Crude	↓	0.26 @	52.46	51.35	54.55