



CHS AM Energy Update

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Today's Market News

- Iran Sanctions:** Iran exemptions were initially meant to last six months and are therefore due to expire in March. The U.S. granted these exemptions to 8 countries in November 2018. The U.S. will decide by May 8th whether to continue making exemptions for certain buyers of Iranian crude.
- U.S. Oil:** Cushing, OK crude oil stocks are at a current level of 46.85 m/b, down from 47.52 m/b last week and up from 28.18 m/b one year ago. This is a change of -1.4% from last week and +66% from a year ago. PADD's 3 and 5 saw large oil stock decreases of 5.3 m/b and 3.1 m/b respectively, while PADD 1 had a respectable build of 3.8 m/b. U.S. shale production is said to have decreased by 100,000 bpd last week.
- U.S. Refinery Production:** U.S. refineries increased their operable capacity slightly to 87.6%, rising a mere 1.4% from 86.2% from 3 weeks ago. Last week's U.S. gasoline production decreased by 117,000 bpd and distillate production decreased by 63,000 bpd. The bulk of the decrease of the 4.6 m/b decrease in gas inventories was shared fairly-equally among the current 'high spring turnaround' areas of PADD's 1, 2 and 3.
- Market Opinion:** Oil prices are edging up again this morning, carrying on the momentum from yesterday where WTI closed over \$58 for the first time since mid-November. RBOB is leading the products higher as markets across the U.S. change to higher priced summer RVP.

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



Heating Oil Daily:

Heating oil has been very consolidated for the last month with trades not moving far from the 10, 20 and 100-day moving averages, while at the same time rangebound between the 38% and 50% retracement values. It's going to take a bit of a push, and maybe some spring field demand that Mother Nature has been sabotaging. The next downside target is \$1.9579 with the 2nd at \$1.9460. If the market breaks to the upside, \$2.0398 is a strong level of resistance.

Contract		NYMEX as of 7:55am	Support	Resistance
APR RBOB	↑	0.019 @ 1.8758	1.8016	1.9132
APR HO	↑	0.0073 @ 1.9994	1.9579	2.0398
APR Crude	↑	0.28@ 58.53	56.84	59.60