



# CHS AM Energy Update

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## Today's Market News

- **Russia and OPEC shift:** Consistent oil production increases seen from the United States has Russia and OPEC tossing around the idea of boosting production in order to fight for market share. Russia's Finance Minister stated "There is a dilemma. What should we do with OPEC: should we lost the market, which is being occupied by the Americans, or quit the deal?"
- **Iraq breaking new ground:** Iraq's oil ministry will construct a refinery in Kirkuk with a capacity of 150,000 barrels per day. The ministry has to put the final touches on building the investment refinery. Details are still yet to be disclosed. Interesting to see a new refinery going in as talk of production cuts has been the key for the better part of 12 months now. This could also be seen as a grab for market share.
- **2-Month high seen for Singapore marine fuel sales:** Asia's biggest ship fueling port reached a two-month high of more than 4 million tonnes for the month of March, up 4.4 percent from February, but still down 2 percent from last year. Some of the factors behind the increase are Trade tensions between the U.S. and China, an fewer dry bulk exports from Brazil.
- **Market Opinion:** The energy complex appears to have put a stop to its rally as Brent futures are falling below \$71 and WTI is down nearly 70 cents. Losses seem to be limited at this time in thanks to tightening global supplies due to falling output from Iran and Venezuela as further sanctions are likely to be seen. A battle over market share looks to be the focus as Russia and OPEC question how much they are really willing to lose. An increase in U.S. production reported this week could further this agenda. Please reach out to your Account Manager for any questions or contract quotes.

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



### Heating Oil (Daily)

Heating oil is still moving in a bullish trend despite the recent news of OPEC and Russian kicking around the idea of increasing production. Currently heating oil futures are testing the 50% level at \$2.0493 based on the recent highs & lows. Further rhetoric about going after market share could turn the market around, giving way to a bear-market. From a relative strength point-of-view, the market is not overbought or over sold for that matter, and is still looking for direction, according the red-line graph on the bottom of the adjacent chart.

Contract		NYMEX as of 7:44AM		Support	Resistance
MAY RBOB	↓	0.0290	2.008	1.9598	2.0702
MAY HO	↓	0.0209	2.0498	2.000	2.05
MAY Crude	↓	0.54 @	63.35	61.60	65.00