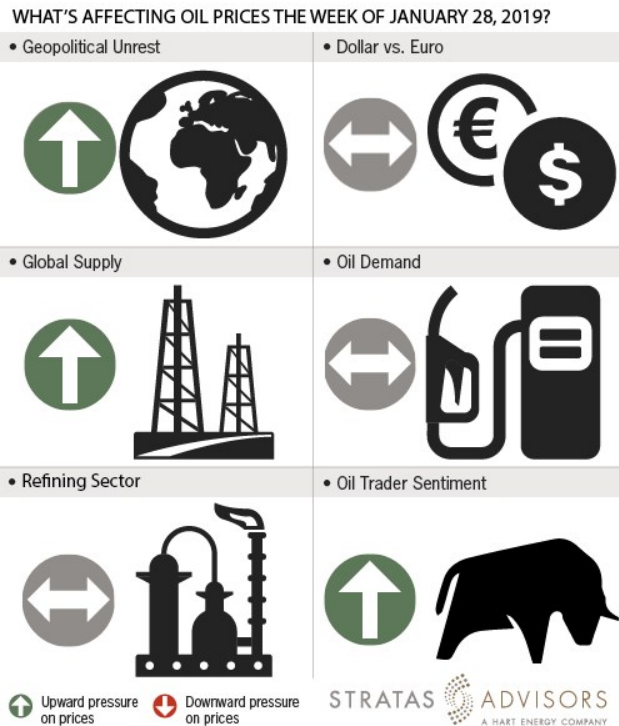


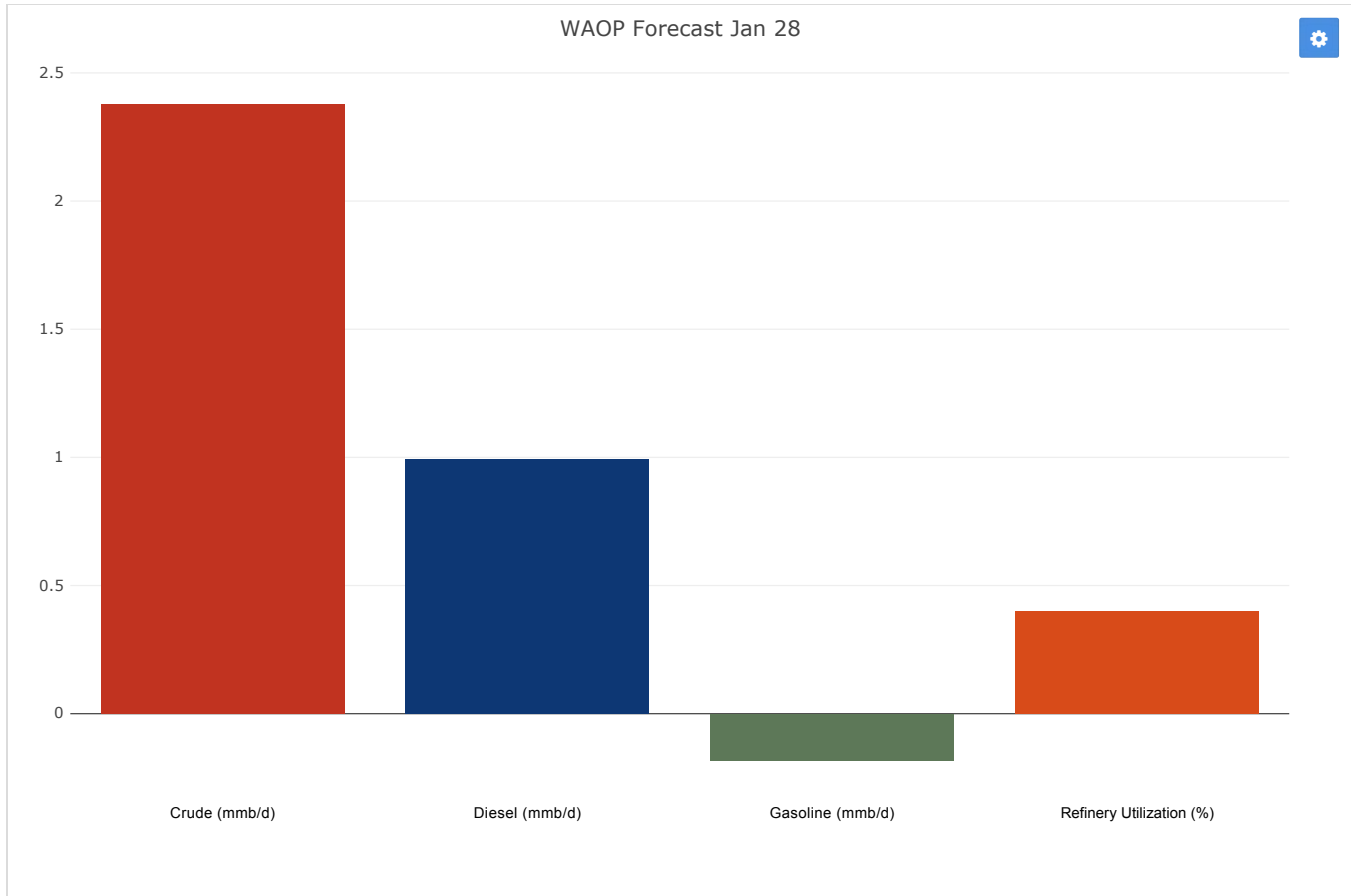
What's Affecting Oil Prices the Week of January 28, 2019?



Brent and WTI price changes have started to stagnate, lending some much needed stability to prices. Brent rose \$0.66/bbl last week and WTI increased \$0.84/bbl. Concerns around the economy and potential demand continue to weigh heavily on markets. For the week ahead, we expect prices to improve slowly. Brent will average \$63/bbl and WTI could touch \$55/bbl.

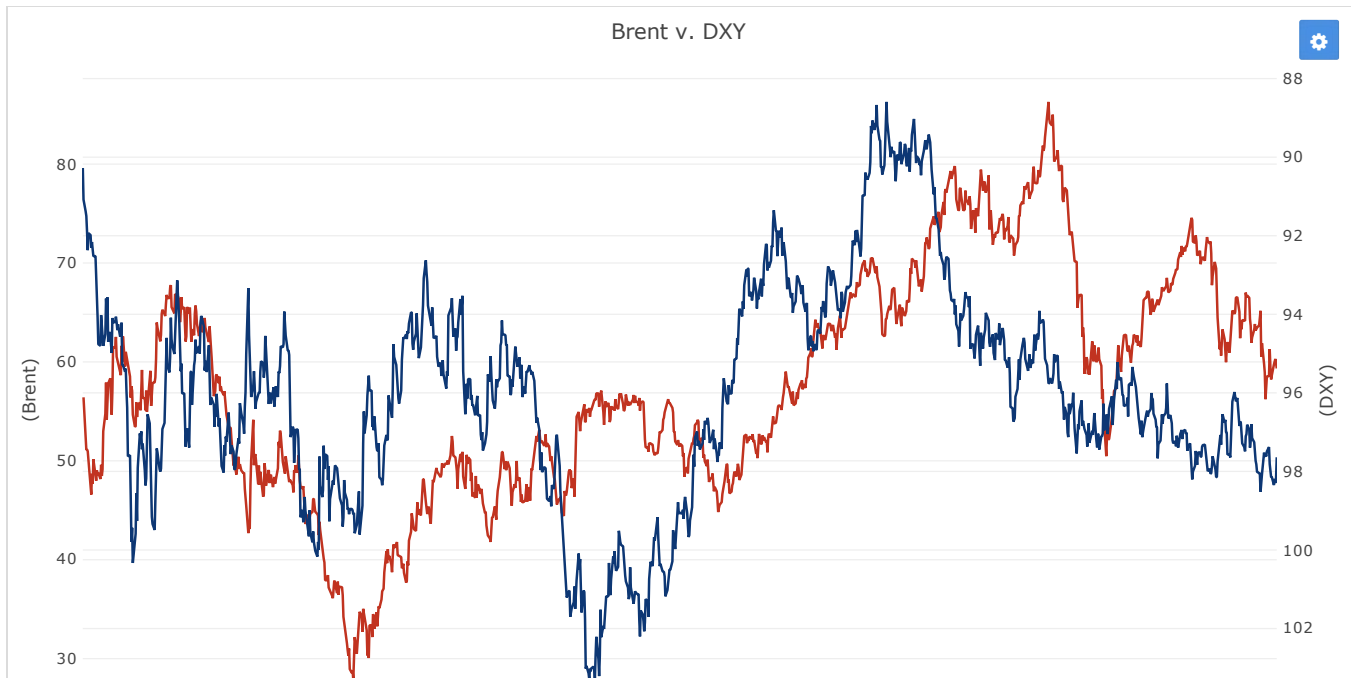
In the US, crude runs are likely to continue declining seasonally, leading to stock builds and potentially weighing on prices. However, the temporary resolution of the government shutdown could provide some short-term support. The resumption of CFTC data publications will give insight into how US traders have been positioning themselves. At the same time, ICE managed money net longs have increased in a signal that traders are more optimistic about future prices.

On the supply side, it looks like the risk of a larger Venezuelan disruption has temporarily subsided. President Maduro backed off his threats to remove US diplomats, thus lowering the risk that the US would apply direct crude oil sanctions. However, this quickly evolving situation could escalate as Maduro attempts to stay in power in the face of an organized and internationally supported opposition. Elsewhere, OPEC+ continues to adhere to its production agreement, also helping to mitigate oversupply.



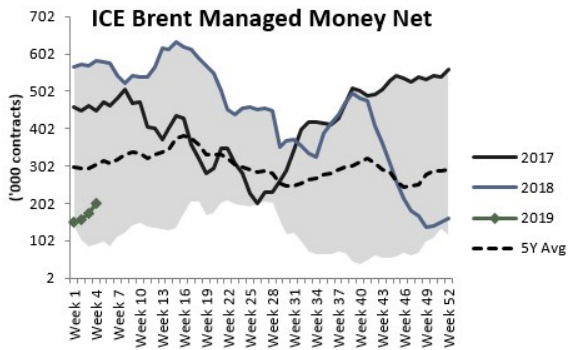
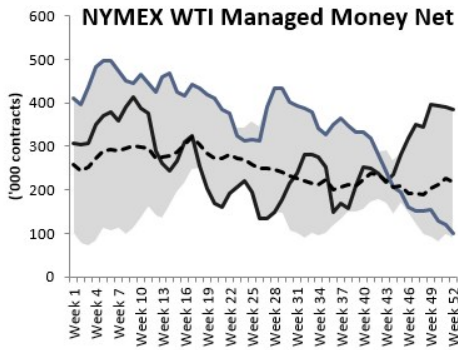
Geopolitical – Positive

Dollar - Neutral

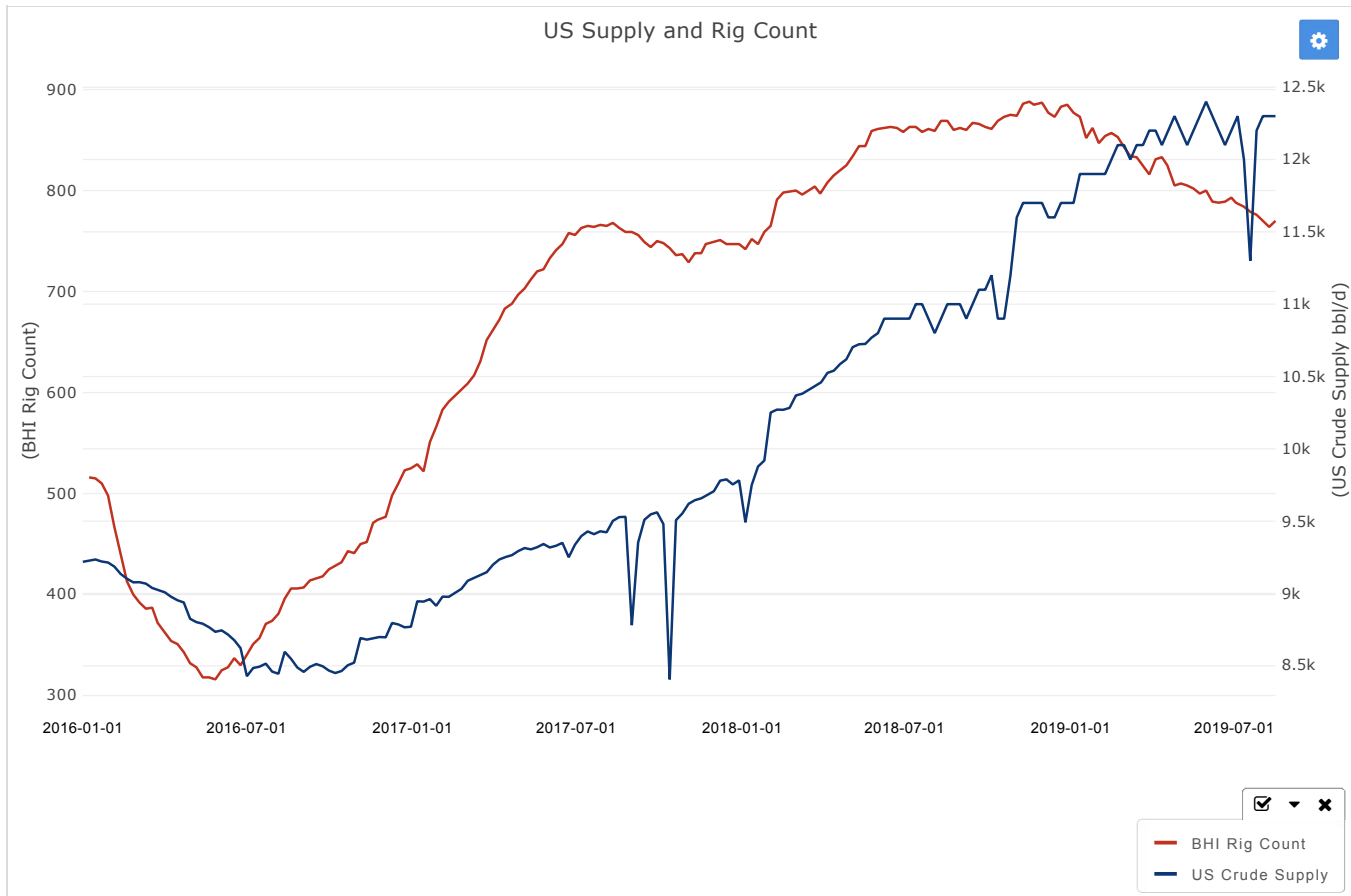




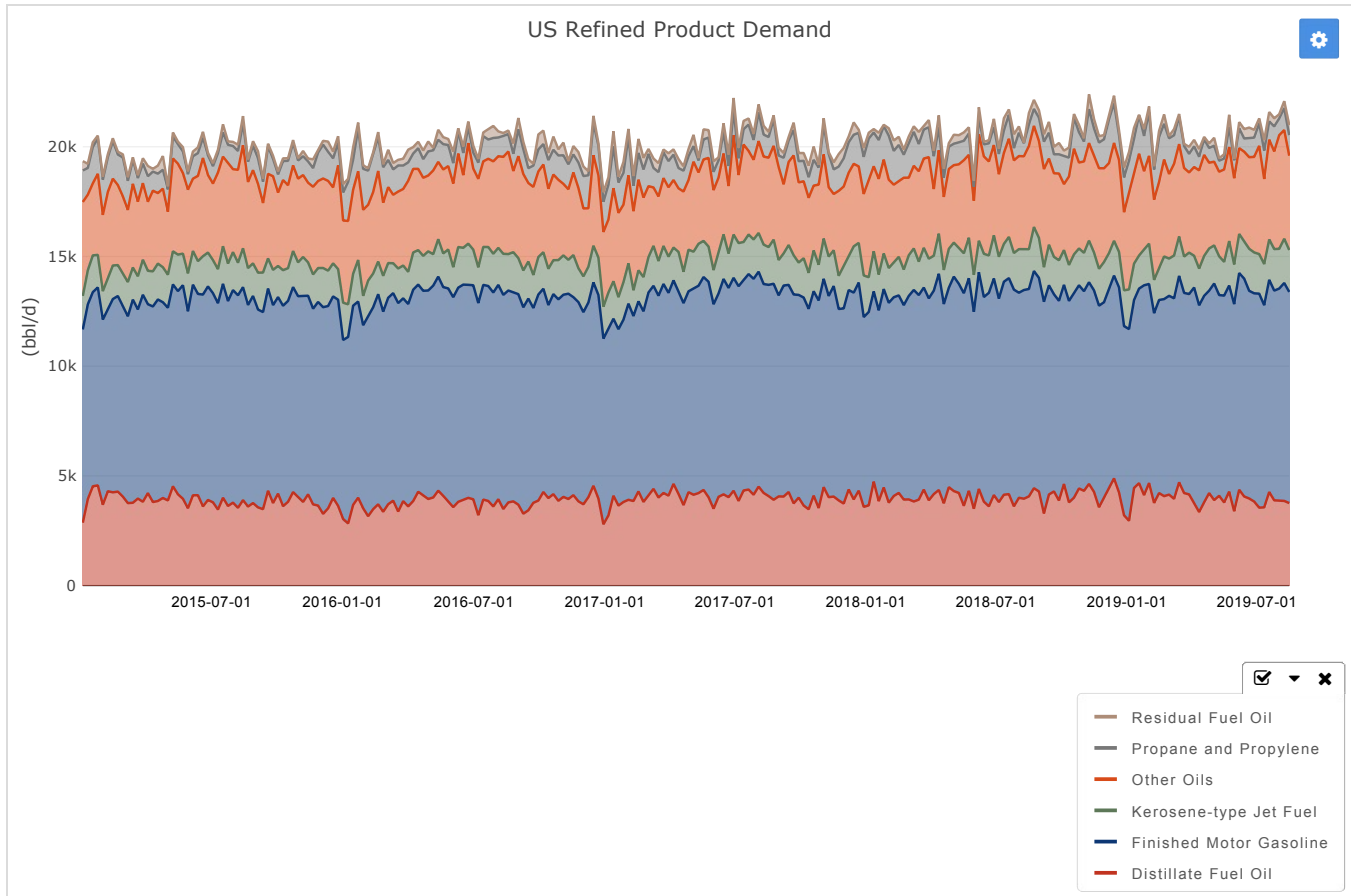
Trader Sentiment – Positive



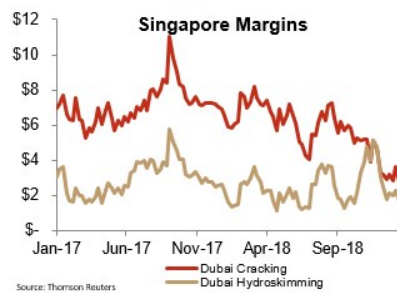
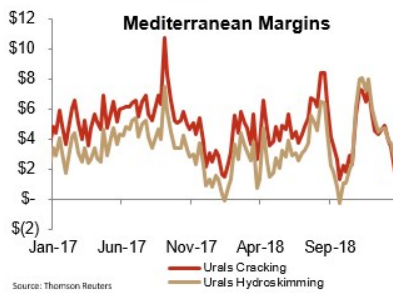
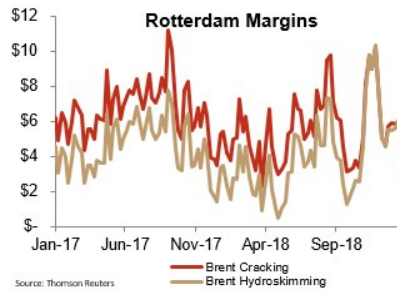
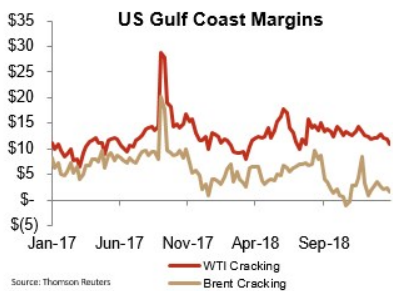
Supply – Positive



Demand – Neutral



Refining Margins - Neutral



How We Did

How We Did - Jan 21

