

**ACTIVE MONTH | NYMEX WTI Crude Oil February 2020**

Last Trade 21st January 2020

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**Highlights**

- Oil steadied as investors weighed the risk of further escalation in the conflict between the U.S. and Iran that has so far spared production and exports from the Middle East.
- Futures were little changed on Thursday, back at levels they were before the U.S. airstrike that killed a top Iranian general last week after whipsawing between gains and losses on Wednesday. The Pentagon said it's too early to tell what Iran will do next after President Donald Trump downplayed the impact of missile attacks on American military bases in Iraq, backing away from the precipice of war.
- Oil has had a tumultuous start to the year after the killing of Iran's most powerful military commander Qassem Soleimani on Trump's orders, with Brent surging to near \$72 a barrel immediately after retaliatory attacks from Iran on Wednesday. While Sky Arabia reported a new rocket attack targeting the Green Zone in Baghdad on Thursday, Goldman Sachs Group Inc. said this week that a disruption to physical supplies is needed to keep prices elevated.

**U.S. Crude Oil Figures (API & EIA)**

	<u>Previous</u>	<u>Latest</u>
<b>API</b>		
Total Inventory	-7.8	-5.9
<b>EIA</b>		
Crude oil	-11.46	-1.16
Gasoline	3.21	9.13
Distillates	5.33	8.77

*\*in million barrels*
**Today's Commodity Fair Value**

	<u>Fair Price</u>
NYMEX WTI Feb 20	59.49
ICE Brent Mar 20	64.21

*\*Source: Bloomberg    \*\*At time of writing*
**Technical Section**

**Market Insight**

*Fundamental analysis are based on conclusive assessment of time varying key market movers. While technical analysis use a 4-hour chart to analyse the potential movement for intraday trading.*

Oil shrugged off recent shocks. We expect oil price may slide further with increased volatility; target is seen around \$57.00.

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