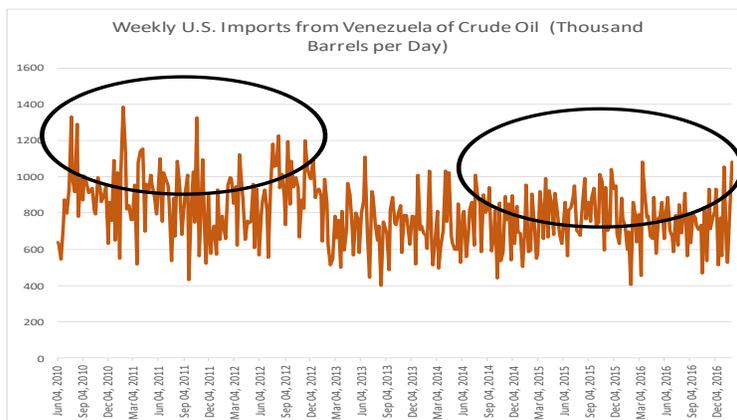


Latin Iraq

Second chances don't come often.

One of the things that President Trump has said recently turned out to be a forewarning of what is happening now. He said that the one thing we had wrong about the way we handled Iraq, is we should have taken their oil. I'll explain why this makes sense. First, we're never going to recoup the lives and money we spent over there. So far it's all been for nothing and that's wrong. We should have some compensation because they still are a floundering democracy that has yet to figure out how to put their money to work for their country. If we can help a country instill a democracy, I think that we're more than capable of helping them establish an economy.



Weekly Venz imports over 1mm b/d
2010-2013 - 33
2014-2017 - 9

I know, the teeming millions are shocked to see a chart here. Well this is the Iraq opportunity in 2017. Yesterday we slapped sanctions on one of the highest Government officials in a country we're still doing business with, Vice President El Aissami of Venezuela. It gets really tricky here for the Venz because they can't afford to lose what's left of their oil production and all that the US continues to buy from them. In the past 5 weeks, we've actually seen their numbers top 1mm b/d twice. As per the chart above, between 2010 and 2013 that happened on 33 different weeks. Since 2014 though, that's happened a total of 9 times. The US has had to turn back imports quite a bit since we hit our shale boom, but even now as we're pulling in 750K b/d of Venz barrels, that's only 100K b/d less than before 2011.

continued on next page...

That's Hot

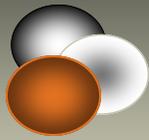
- Making America Great Again (Wall Street rules...when there's a lot less of them)
- Border Tax (oil imports will never look so cheap again)
- Rumor (the winner of the Westminster Dog Show...Alternative Facts was runner up)



Come with it

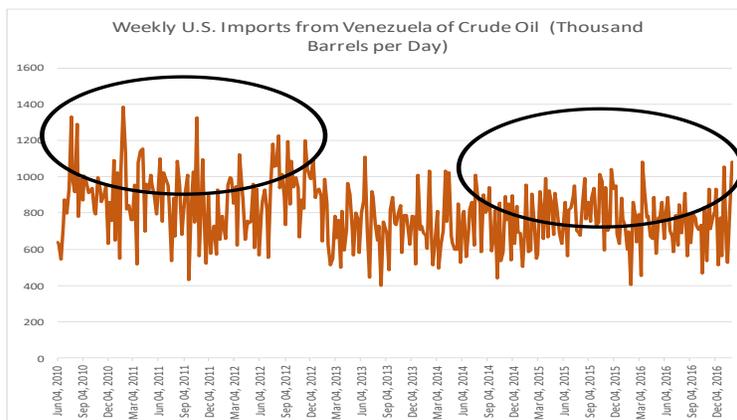
That's Not

- Venezuela (looking more like Iraq, but with President Trump seeing the real prize)
- \$20 oil (I just like to remind people about this golden lamb)
- Harrison Ford (it wasn't his fault, Chewie messed up on navigation)



Latin Iraq

Of course Venezuela has taken the sanctions in house and are trying to at least give a show of solidarity. The country is on the brink of collapse and it's important that they show they still have some semblance of a cohesive Government. They have to because if they don't the military that put Maduro and Co. in there will be the first ones to throw them out. If this happens, you can be assured that the US will be there to assist, but there will be a price tag. I am sure that if President Trump is going to send military aid to any country now, there's going to need to be something in return. This is where we can't discount Trump's on shining asset; deal making.

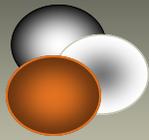


Weekly Venz imports over 1mm b/d
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The possibilities are endless here because any deal with Venezuela is a direct deal with OPEC that OPEC isn't going to be involved. They may be to blame for this mess anyway. They let oil prices deteriorate over the past two years and that combined with the declining demand from their Latin America neighbors, the economy has crumbled. It's getting complicated here, but it's going to get done. Part of the reason that I think the US laid out sanctions on their VP is that we're dictating who we want to see heading up that Government. If President Maduro stepped down, El Aissami would be the next in line, but we don't want that happening. Now Venezuela is in between a rock and a hard place on it's next move. They can't reject the US and our money for their oil. They can't ignore the fact that we're tightening the financial strings around their ranks in Government. All they can do now is wait for the inevitable and that will come at a cost. Not only a coup backed by the US, but a heavy bill that is going to accumulate all of our expenses.



Come with it



Oil Outlooks and Opinions

Wednesday, February 15, 2017

Oil Outlooks and Opinions llc
www.oiloutlooks.com

Volume 8; Issue 2680

Crude:

And another month bites the dust. It's hard to believe that we're already moving along to the **CLH7** contract. We now pivot past the last month of the year and that should be worth something to everyone trying to play the cash and financial markets. We kick off with resistance here at 5355, 5462 and 5570. We'll look back lower to support at 5260, 5175 and 5066. We'll also change the lead spread and the front spread moves up to **CLH7/CLJ7** and start with resistance at -60, -48 and -24. Support comes back to -78, -110 and -126. Let's get this week done right and the new contract back in play. Back to reality. Follow the Dollar, follow the dream.

Gasoline:

OK laziness has been set aside and I'm moving ahead the **RBH17** contract. We can start with resistance here at 15563, 15770 and 15960. Support looks below to 15370, 15146 and 14980. The front spread moves to **RBH7/RBJ7**. Resistance at -1990, -1855 and -1730. Support to -2192, -2265 and -2370. The **RBH7/CLH7** gets resistance at 1275, 1366. Support falls to 1185, 1113.

Distillate:

The calendar keeps us moving and we are focused on the **HOH17** contract. We'll get resistance here at 16340, 16568 and 16766. Support looks back to 16145, 15960, and 15775. The front spread bumps up to **HOH7/HOJ7**. Resistance here looks at -104, -89. Support holds down to -130, -155. The crack moves up to **HOH7/CLH7**. Resistance at 1608, 1690. Support back to 1512, 1449.

Trends are only for the affected:

Thanks for coming back here to the land of the lost. I couldn't help but notice the Head and Shoulders shaping up nicely on the 60min chart. Yes, I know these things never work out as planned in CL, but worth watching just in case. Also I'm inclined to be a little bearish right now. So, a move back up to 5315 hits resistance at the shoulder and then it's a heavy slide past support at 5275 and down to about 5180 for the bulk of the move.

Fundy you should mention:

Tell me if I'm wrong, but didn't Fed President Yellen do the voice for Speedy the Sloth in Zootopia? It takes her three hours to read through a one page summary. Anyhow, the point is that she and the Fed think the economy is doing good and at this pace, we're going to need to raise rates. Now only if she would admit to there's a new President in Office and he's going to ring in some serious stimulus soon. A full day on the Econo Calendar; Retail Sales (0.1), CPI (0.3) and Empire State Mfg (7.5) at 8:30am ET. Industrial Production (0.0; Cap Utiz 75.5) at 9:15am and Business Inventories (0.4) at 10:00am.

Sorry, I am just physically attracted:

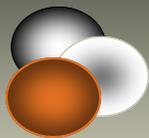
Some days I just can't get it all in on one subject, so we'll start here. According to the API, we're going to see another significant build in crude stocks this week. They came out with a solid 9.9mm barrel build and we're going to need to play some Miley for our theme this Spring; "We Can't Stop". The thing is, if there's a border tax any time soon, crude oil imports will never be this cheap again. I know plenty are saying this happens every Spring, but please take note of the rising US production and the record setting pace we're on for inventories. With another 10mm barrels this week and builds that usually last until April, we're going to be targeting at least 550mm. Well, you can never have too much gold in Fort Knox.

Techies, some Trekkies

- 200 Day MA 5043
- 100 Day MA 5159
- 13 Day MA 5308
- 8 Day MA 5292
- 14 Day RSI 48.85

Spread now; Roll later

- Back to turnarounds
- Key support: -80, -114, -150
- Key Rests: -62, -38, -10



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Carpe Diem (trade for today):

How about a tribute to the glory days of \$80 WTI?

Age catches up fast when we think about \$60 oil. I go LONG CLH7 above 5360. I'm not going to play this game and I may miss opportunity, but I'm not into chasing a dream. Funds need this more than I do and I just can't see this finding a good reason higher. So I'll let this play out to the hopeful Bulls and ride along to the 5400 area just to say I was in the game.

I only ask that people do their job. I go SHORT CLH7 under 5260. Everything changes here if we really can follow through on the H&S. I like the sell side regardless, so a first wave down to the 5210 area does me good enough to pare most of my position. Now it's if we can get enough volume and momentum down there that I think we're more than happy to take it to the 5170 area, but I'm not going to get cute with much.

For now, the disclaimer can be found here: <http://www.oiloutlooks.com/page7.html>

Please feel free to share the joy with your friends, colleagues and the bathroom stalls. Have them sign up for the two week trial and get a personalized thank you note directly from me. Where you going to get a deal like that without a flashing blue light?

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