

## Fake News

Things I've been asked. Things I wish I really said.

- *Since you are so infatuated with President Trump, don't you think that the expansion of the US oil production and pipeline system will doom our country's environment?*

Yes. Oh, you need me to elaborate? Well the way I see it, there's a lot of things that are bad for you from smoking to fatty foods to my ex wife. As Americans, we learn to adapt, but more importantly, we learn to live and be happy with the cards we're dealt.

- *You seem to have a good sense about what's happening in Venezuela. Don't you think that it's a lost cause and we'll never see that country back to normal?*

I'm an oil analyst, not Miss Cleo. I can tell you that Venezuela knows they can hate us all they want, but they also don't have anyone else to buy their crude and products as consistently and in the volumes we do. One more move in the wrong direction and we're sending in Harrison Ford to tell them, "It's our oil."

- *There's a smarmy tone to your voice when you bring up \$20 oil forecasts. Now do you think that oil can go to \$80?*

Sure oil can go to \$80. All we need is for the US Dollar to be about as worth as much as the Mexican Peso is right now. Of course with a few rate hikes more than likely happening this year (beware the Ides of March), we're going out as king of the hill.

- *Border Tax to you seems pretty inevitable. Why do you think this is a sure thing?*

Because everything is about oil. Get it? If you look at the decline in all of the countries that import oil to the US over the past few years, their trade deficit (outside of Mexico) has dropped by at least 60% and Saudi Arabia turned a -\$33B deficit into a \$1.5B surplus. Just so happens oil dropped from \$98 (2013) to \$43 (2016).

- *The whole crude building thing is seasonal, right? Why are you thinking it's not?*

Because you can't beat free. Skip my Border Tax argument that makes complete sense and start thinking about refineries. The switch is on and I'm not talking about Angelina Jolie to Kate Hudson. The crude slates for US refineries is getting moved from a heavier slate to lighter crude. We may not hear anyone talking about it because nobody is going to give away a plan like that.

*"The reason my coffee tastes so good is because I buy the good stuff. "*

### That's Hot

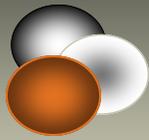
- Making America Great Again (nobody said we would get it done on the first try)
- COT (another week of "The Long Road to Nowhere")
- Fake News (well at least the National Enquirer is getting the attention it deserves)



*Come with it*

### That's Not

- \$20 oil (not fake news, just a distant memory)
- France (letting the refineries go away has let the ability to strike go away too)
- NYFW (of course they despise President Trump, the headlines are nowhere to be found here)



# Oil Outlooks and Opinions

Friday, February 17, 2017

Oil Outlooks and Opinions llc  
[www.oiloutlooks.com](http://www.oiloutlooks.com)

Volume 8; Issue 2682

## 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 15148, 15360 and 15545. Support looks below to 14988, 14775 and 14560. The front spread moves to **RBH7/RBJ7**. Resistance at -2170, -2066 and -1980. Support to -2270, -2360 and -2485. The **RBH7/CLH7** gets resistance at 1011, 1113. Support falls to 963, 877.

## Distillate:

The calendar keeps us moving and we are focused on the **HOH17** contract. We'll get resistance here at 16390, 16568 and 16766. Support looks back to 16145, 15960, and 15775. The front spread bumps up to **HOH7/HOJ7**. Resistance here looks at -102, -89. Support holds down to -122, -155. The crack moves up to **HOH7/CLH7**. Resistance at 1545, 1608. Support back to 1448, 1370.

## Trends are only for the affected:

Alas, these things never work out as we ever expect them too. I think if I had a dollar for every failed Head and Shoulders on the CL chart, I'd have my own fund right now. So let's move on from that dream on the 60min chart and continue on with the scintillating sideways action. We're playing here between 5270 and 5370 and it's more of the same we've seen all this week and most of last. Making a move outside these parameters might be worth noting, but good luck with that.

## Fundy you should mention:

If you're paying attention to politics, then nothing is boring. If you're watching oil markets, then you should be watching politics. We're back at the end of another week and we're pretty much right back where we started in terms of price. That can't bode well for Funds that are steeped in long oil positions. This is a lot like a bad marriage. You can hold on waiting for something good to happen, but it just keeps on going nowhere. The longer that happens, the risk is always to the downside. Not many watching these numbers, but I am; E-Commerce Retail Sales (4.0) and Leading Indicators (0.4) at 10:00am ET.

## Sorry, I am just physically attracted:

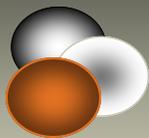
And now a view of the physical market that we're not talking about all that much; jobs. From where I've been mulling about the past few weeks, I know traders are also getting that vibe. The new Administration is opening the door to be more accepting about growth in oil in gas, but also in and around Wall Street. I've said before that as financial regulation gets rolled back, Big Banks will come back to the Commodity game. They will know better on who and how to hire, but it's the physical traders that also know what they're looking for and walking into. We're going to see a Harlem Shuffle once the green light pops up (this year) and real negotiating skills are in play.

## Techies, some Trekkies

- 200 Day MA 5050
- 100 Day MA 5170
- 13 Day MA 5319
- 8 Day MA 5313
- 14 Day RSI 51.09

## 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 5370. 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 5410 area just to say I was in the game.

I only ask that people do their job. I go SHORT CLH7 under 5280. 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 5220 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 5180 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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