



TG MACRO

# MORNING NAVIGATOR

Volume: 2 Issue: 83

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## Marathon Man

I attached the report I wrote for *Real Vision* that was bullish the oil complex on February 12<sup>th</sup>. I recommended a diversified portfolio of oil and three individual stocks, one in each subsector. I chose Occidental Petroleum (OXY) as an E&P, Helmerich & Payne (HP) as an oil services play, and Marathon Petroleum (MPC) as a refiner I thought had wheels. I would have exited all oil length on the Saudi Aramco pushback headline, for sure. With house money,

I have no problem buying Marathon Petroleum back at last sale. Sometimes it makes sense to step on the gas again, pun intended because I'm a writer. First, an oil market update then Marathon Man...with [Dustin Hoffman](#).

OPEC is kicking around their supply cut package and there's a potentially bullish change afoot. One option discussed in Vienna on Monday was, **"to measure commercial oil inventories in developed economies against the seven-year average instead of five years, which would move their goal of restoring stockpiles to normal levels further from reach, potentially requiring a longer period of cuts to achieve it."** Bullish condition.

When you pile on yesterday's API data, which was another straight flush for the bulls: (2.7M) barrel draw in crude oil, (2M) barrel draw in distillates, and (1.1M) barrel draw in gasoline, it explains the abrupt tightening in spreads (chart right), and this meaningful extension in crude oil (below right.) I seriously think it is worth employing the NUTZ Trading Principal here: **"You can always buy it back."**

I chose a refiner because they're trending beautifully. That trend is being reinforced with record refining capacity and strong margins. It has been a banner year for refinery utilization as it tracks well above any other year this decade.

Now, consider that **"Some Oil Refineries Are Getting a License to Print Money,"** and that printing money is a bullish condition for stocks. The shipping industry is going to require lower sulfur fuel starting in 2020. It will be the responsibility of the refiners to crack that cleaner, compliant fuel to meet rising demand. It will create an **"exceptionally high margin environment."** Also a bullish condition for stocks according to Eugene Lindell in Vienna. It sounds like the refiners are happy to accept the ~~free money~~ challenge:

**"We are going to take advantage of this new margin in a significant way because our system is fully prepared to do that."** – Josu Miguel, Repsol Chief Executive Officer





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A look at MPC illustrates one of the most bullish formations I HAVE EVER SEEN.

Let's go down the check list:

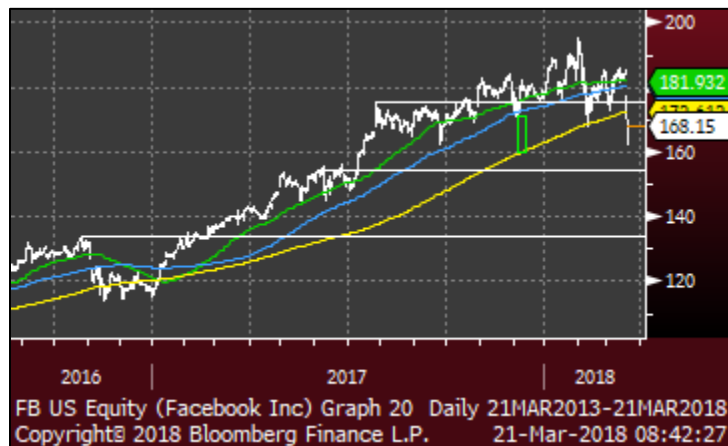
- ✓ 2017 breakout and extension through the 2015 highs
- ✓ A steep pullback to its 100-day moving average
- ✓ The 100-day held twice
- ✓ A huge magnitude move through final resistance

With that handsome technical check list and the whole MONEY PRINTING on cleaner fuel theme, go with MPC for the long run.

**Marathon – Petroleum – Man.**



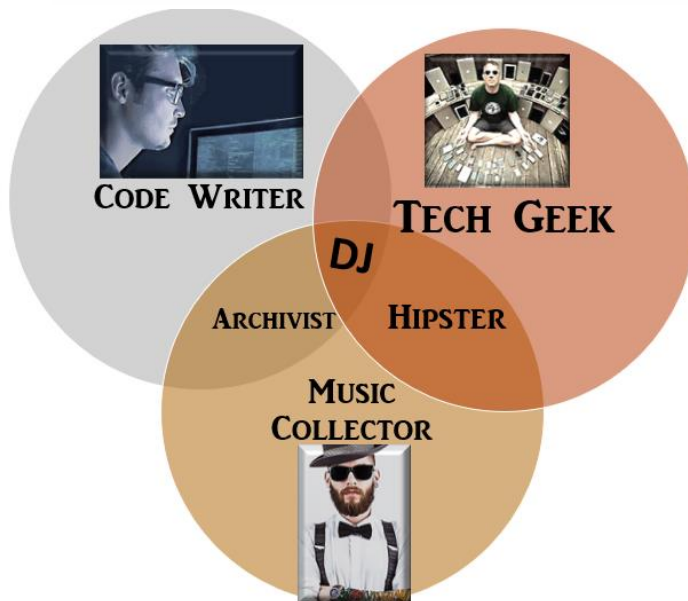
**DBA** – if there is a place to accept brisk defeat it is in the ag market. I can buy a breakout and hope for Mother Nature to continue be cruel to the crops, but when she dumps rain across the plains and the grains AND MEATS fall apart, I gotta respect THAT false breakout and get out of DBA length. That's what a losing trade looks like and as you all know – they happen.



**Face Plant Update:** the novice bulls are calling yesterday's FB session a "come back." I'm calling it "Hang Man."

I would not touch FB with a 10-foot selfie stick here. I think the probability it recovers \$180 this year is near zero.

## STUDY BREAK



**“When the full extent of your venality, moral turpitude, and political corruption becomes known, you will take your rightful place as a disgraced demagogue in the dustbin of history.”** – John Brennan, Barrack Obama’s CIA Director Drops Daisy Cutter Tweet on DJT45

**“I’m a DJ. I get the party started.”** - Avicii

**“It’s easy to play any musical instrument: all you have to do is touch the right key at the right time and the instrument will play itself.”** – Johann Sebastian Bach loved breakin’ balls, right? See above.

**“We will look back years from now and realize that Facebook, Google, Amazon, etc. were nothing more than fronts for massive government surveillance and made a fortune from selling people’s personal information to the highest bidder on top of it all.”**  
- Anonymous Sales Trader, good quote

**“I like to call it WHITE...House Music.”** – DJT45

**“This is going to go until tech workers are hated more than bankers were 10 years ago.”** – DJ Dillian

**“Besides being a guitar player, I’m a big fan of the guitar. I love that damn instrument.”**  
- Steve Vai, and me

**“Sh\*t happens. Let it happen. Embrace the sh\*t. Become the sh\*t.”** – Deadmau5, eloquent DJ Quote

**“Setting my mind on a musical instrument was like falling in love. All the world seemed bright and changed.”**  
– William Handy, truth

**“I PRESSED PLAY!”** – famous DJ



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