

## Market Commentary

**Recap:** Oil prices rebounded on Friday, rising by more than 2% on stronger than expected economic data out of the U.S. and China and on signs of progress in the U.S. – China trade talks. After the release of the U.S. jobs report, December WTI rose \$1.26, or 2.3%, to \$55.44 a barrel, while January Brent added \$1.28, or 2.1% to trade at \$60.90 a barrel. After an early afternoon sell-off, oil prices reverted to the upside, with both WTI and Brent posting fresh session highs after the U.S. Commerce Secretary said that the U.S. and China reached a consensus during the “phase one” of their trade talks. December WTI rose to a high of \$56.33 before paring gains to settle at \$56.20 a barrel, up \$2.02, or 3.73%, while January Brent topped the session at \$61.82 before it too pared gains to settle at \$61.69 a barrel, up \$2.07, or 3.47%. WTI declined 0.8% for the week and leaving Brent off just 0.1%. December RBOB rose 3.8% to end at \$1.6557 a gallon, while December heating oil rose 3.1% to end at \$1.9331 a gallon. For the week, gasoline rose 1.2%, while heating oil saw a 1.9% decline.

**Technical Analysis:** WTI made an impressive comeback, with the December contract shooting through the 10 and 50-day moving averages and \$55.42, the 38% retracement provide by the September high of \$62.74 and the October low of \$50.89. Although this spot contract finished the session on a strong note, we remain cautious, as we have seen this type of activity before. With crude oil prices stuck in a period of consolidation for quite some time, and a lack of groundbreaking fundamentals, we would look to see continued sideways trading. Resistance is set at \$56.82 and above that at \$58.21. Support is set at \$55.11 and below that at \$54.00.

**Fundamental News:** Baker Hughes reported that the number of rigs searching for oil in the US fell by 5 in the week ending November 1<sup>st</sup> to 691.

US Commerce Secretary, Wilbur Ross, said the Federal Reserve rate cut will be good for the housing sector. He also stated that the initial “phase one” trade agreement with China appears to be in good shape and is likely to be signed around mid-November, although a finite date is still in question.

US Treasury Secretary, Steven Mnuchin, said the US and China are working hard to conclude a trade deal following directions from their leaders. He was speaking to reporters in New Delhi, where he held talks with Indian leaders as part of a regional tour. Separately, US Treasury Secretary said the US is working with allies to ensure adequate global oil supplies after its sanctions barred nations from buying Iranian crude.

White House adviser, Larry Kudlow, said President Donald Trump and US negotiators are “very optimistic” on a trade deal with China.

Later, Xinhua News Agency reported that the US and China reached a consensus after talks between their main trade negotiators on Friday.

A World Trade Organization panel said that China could impose compensatory sanctions on US imports worth \$3.579 billion annually for the US failure to remove anti-dumping duties.

Saudi Aramco officials and advisers are holding last minute meetings with investors in an attempt to achieve as close to a \$2 trillion valuation as possible ahead of an expected listing launch on Sunday. A final meeting by the government to decide whether to go ahead should take place later on Friday.

IIR Energy reported that US oil refiners are expected to shut in 1.46 million bpd of capacity in the week ending November 1<sup>st</sup>, increasing available refining capacity by 4,000 bpd on the week.

The Director of the North Dakota Division of Water Quality said cleanup crews in Walsh County, North Dakota are starting work to plug the Keystone pipeline, which was shut after more than 9,000 barrels of crude leaked this week.

**Early Market Call - as of 9:00 AM EDT**

WTI - Dec \$56.65, up 47 cents

RBOB - Dec \$1.6648, up 83 points

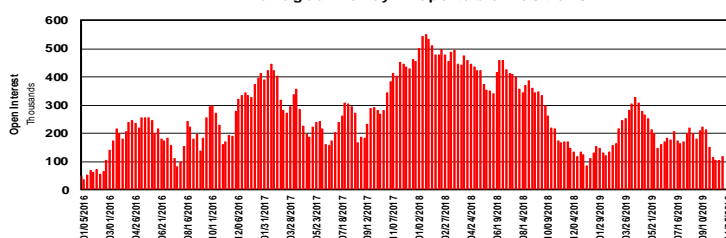
HO - Dec \$1.9522, up 1.92 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-19	1.9331	0.0573	0.0376
Jan-20	1.9247	0.0564	0.0377
Feb-20	1.9128	0.0560	0.0536
Mar-20	1.8952	0.0557	0.0352
Apr-20	1.8739	0.0548	0.0351
May-20	1.8611	0.0543	0.0342
Jun-20	1.8537	0.0542	0.0328
Jul-20	1.8521	0.0541	0.0315
Aug-20	1.8522	0.0540	0.0302
Sep-20	1.8538	0.0540	0.0292
Oct-20	1.8558	0.0539	0.0287
Nov-20	1.8576	0.0538	0.0287
Dec-20	1.8590	0.0539	0.0283
Jan-21	1.8602	0.0535	0.0271
Feb-21	1.8557	0.0528	0.0263
Mar-21	1.8457	0.0519	0.0261
Apr-21	1.8287	0.0510	0.0266

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$56.2700	\$2.0200
Crude - Brent	WTI Spread	\$61.6900	\$2.0700
Natural Gas	\$5.42	\$2.7140	\$0.0810
Gasoline		\$1.6557	\$0.0611

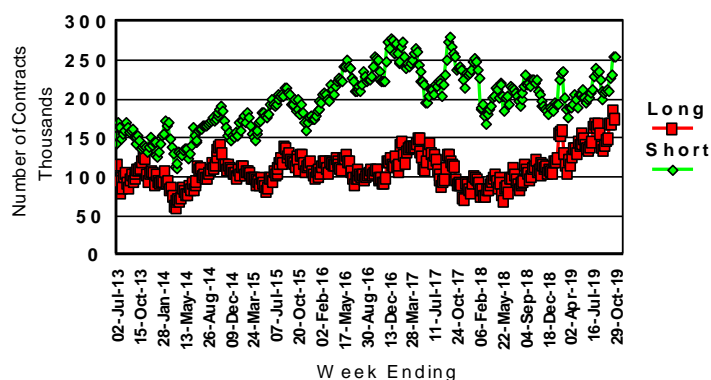
WTI Futures & Options: NYMEX & ICE Combined  
Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending October 29, 2019

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

