

Market Commentary

Recap: Crude oil continues to experience wild swings, as investors grapple with an oversupplied market amid U.S. lead sanctions against Iran and possible production cuts from OPEC. U.S. oil gapped higher on the open, but quickly turned lower as mounting supplies added pressure. January WTI, the new spot contract, pushed below \$56.00 a barrel to reach a session low of \$55.28, but quickly rebounded as EU foreign ministers endorsed a French government decision to sanction Iranian nationals accused of a bomb plot in France and after energy information provider Genscape reported that crude oil inventories fell in the latest week. Prices recaptured all of the day's losses, to post fresh session highs. January WTI tacked on 30 cents, or 0.53%, to settle at \$56.76 a barrel, while Brent for January delivery finished up 3 cents, or 0.04%, to settle at \$66.70 a barrel. December RBOB rose 0.4% to \$1.583 a gallon, while December heating oil climbed by 0.6% to \$2.086 a gallon.

Fundamental News: Genscape reported that crude inventory levels at Cushing, Oklahoma fell to about 37 million barrels on Friday, down 75,000 barrels on the week.

According to OMV, global oil demand growth will slow sharply next year to less than 1 million bpd as the world's economy falters and the US-China trade dispute continues. If the prediction proves correct, it would be the weakest year for oil-demand growth since the start of the decade. It said the IEA's current forecast for oil demand growth next year, at 1.4 million bpd is too high.

Iran's Foreign Ministry spokesman, Bahram Qasemi, said Iran is still hopeful that Europe can save the 2015 nuclear deal between Iran and the six world powers despite the withdrawal of the US.

A UAE Economy Ministry official said the country is fully complying with sanctions imposed this month by the US on Iran even though it will mean a further decline in trade with Iran.

The head of the IEA, Fatih Birol, said oil supply cuts by key producers could have negative implications for markets. It said markets were currently well supplied but added that spare capacity in Saudi Arabia was thin, and therefore cuts by key players could tighten markets.

Russia's Energy Minister, Alexander Novak, said Russia and its allies in OPEC need to watch the oil market in the coming weeks before making any decisions to cut output. He said that Russia planned to sign a partnership agreement with OPEC, and that details would be discussed at OPEC's December 6th meeting in Vienna. Separately, he said he expected there to be no fuel supply shortage on the local market on Monday.

The Chairman of Libya's National Oil Corp, Mustafa Sanalla, said Libya expects the continued exemption from the OPEC oil cuts. He said OPEC has understood security and investment challenges in Libya over the last two years and have supported the country's effort to increase its output.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in September increased to 7.433 million bpd from 7.214 million bpd in August. Saudi Arabia's crude output in September increased by 90,000 bpd to 10.502 million bpd.

IIR Energy reported that US oil refiners are expected to shut in 139,000 bpd of capacity in the week ending November 23rd, increasing available refining capacity by 494,000 bpd from the previous week. IIR expects offline capacity to fall to 59,000 bpd in the week ending November 30th.

Early Market Call - as of 9:26 AM EDT

WTI - Dec \$56.03 down \$1.17

RBOB - Dec \$1.5377 down 4.52 cents

HO - Dec \$2.0560 down 3.04 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-18	\$2.0864	\$0.0127	-\$0.0692
Jan-19	\$2.0778	\$0.0109	-\$0.0715
Feb-19	\$2.0661	\$0.0085	-\$0.0764
Mar-19	\$2.0548	\$0.0066	-\$0.0813
Apr-19	\$2.0389	\$0.0056	-\$0.0832
May-19	\$2.0325	\$0.0051	-\$0.0842
Jun-19	\$2.0302	\$0.0046	-\$0.0854
Jul-19	\$2.0350	\$0.0038	-\$0.0872
Aug-19	\$2.0423	\$0.0032	-\$0.0883
Sep-19	\$2.0518	\$0.0028	-\$0.0889
Oct-19	\$2.0610	\$0.0028	-\$0.0890
Nov-19	\$2.0691	\$0.0026	-\$0.0893
Dec-19	\$2.0758	\$0.0024	-\$0.0884
Jan-20	\$2.0785	\$0.0015	-\$0.0877
Feb-20	\$2.0753	\$0.0010	-\$0.0873
Mar-20	\$2.0692	\$0.0003	-\$0.0865
Apr-20	\$2.0582	\$0.0003	-\$0.0870

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$57.0000	\$0.3200
Crude - Brent	WTI Spread	\$66.7900	\$0.0300
Natural Gas	\$9.79	\$4.2720	\$0.2340
Gasoline		\$1.5770	\$0.0205

December Heating Oil



NWS 6-10 Day Temperature Outlook

NWS 8-14 Day Temperature Outlook

