

## Market Commentary

**Recap:** Baker Hughes Co. on Friday reported that the number of active U.S. rigs drilling for oil fell by 3 to 671 this week. That followed declines in each of the last four weeks. The total active U.S. rig count also fell by 3 to 803. Oil prices were down ahead of the data, with WTI at 11:51am at \$57.76 per barrel (-\$0.82), which is absolutely flat from last week. Brent was trading down at \$63.29 (-\$0.68), which is also nearly flat week over week, but jumped to \$63.65 a barrel. Losses were pared, with January WTI trading at \$58.07 a barrel, up from \$57.84 just before the report. This front month contract ended the session at \$57.77 a barrel, down 81 cents, or 1.4%, for a weekly loss of 0.1%. January Brent settled at \$63.39 a barrel, down 58 cents, or 0.9%. December RBOB fell 1.8% to \$1.6743 a gallon, settling 2.4% higher for the week, while December heating oil edged down 0.8% to \$1.9294 a gallon, for a weekly loss of about 1%.

**Technical Analysis:** The main trend for WTI is up, with a break above \$58.74 helping to accelerate a move toward the top of the ascending channel. Resistance is set at \$60.00 and above that at \$61.15. Support is seen at \$57.28 and below that at \$56.60.

**Fundamental News:** Baker Hughes reported that US energy firms reduced the number of oil rigs operating for a fifth consecutive week. Drillers cut three oil rigs in the week ending November 22<sup>nd</sup>, bringing the total count down to 671, the lowest since April 2017.

Environmentally sensitive but potentially oil-rich areas of Arctic Alaska will be opened to oil development under a new Trump administration proposal to undo Obama-era protections. The proposed changes are described in a draft environmental statement for managing the National Petroleum Reserve in Alaska. The draft, released by the Bureau of Land Management, contains a set of options. The most aggressive would allow oil development in 81% of the reserve. Under the Obama-era management plan, about half the reserve is open to oil development and half is protected for its wildlife and cultural values.

The semi-autonomous Kurdistan Region of Iraq could start delivering 250,000 bpd of oil to the Baghdad federal government by early 2020. Iraq's Oil Minister, Thamer Ghadhban, said the oil would be delivered to SOMO which would export it via pipeline through the Turkish port of Ceyhan. Deliveries should have started under a deal agreed two years ago. The region produced 440,000 bpd in October.

US President, Donald Trump, said that a trade deal with China is "potentially very close." He said a potential US-China trade deal was coming along well, but he had yet to decide whether he wanted to finalize it. He stated he had made clear to China's President that "this can't be an even deal" because of China's trade surplus with the US. Earlier, China's President, Xi Jinping, said China wants to work out an initial trade agreement with the US and has been trying to avoid a trade war, but it is not afraid to retaliate when necessary.

A strike at Canada's largest railroad, Canadian National Railway Co, entered its fourth day on Friday amid ongoing talks, but the Teamsters union said in a statement that "no substantive progress" has been made on key demands by striking workers. Canada's largest rail strike in a decade has caused concerns about a propane shortage and slowed output at industrial plants.

IIR Energy reported that US oil refiners are expected to shut in 985,000 bpd of capacity in the week ending November 22<sup>nd</sup>, increasing available refining capacity by 403,000 bpd from the previous week. Offline capacity is expected to fall to 700,000 bpd in the week ending November 29<sup>th</sup> and to 559,000 bpd in the subsequent week.

**Early Market Call - as of 8:30 AM EDT**

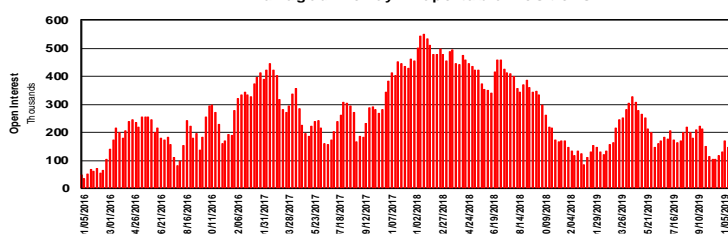
WTI - Jan \$57.72, down 4 cents  
 RBOB - Dec \$1.6672, down 74 points  
 HO - Dec \$1.9360, up 64 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-19	1.9294	-0.0153	0.0186
Jan-20	1.9283	-0.0148	0.0150
Feb-20	1.9246	-0.0134	0.0214
Mar-20	1.9139	-0.0133	0.0079
Apr-20	1.8970	-0.0133	0.0069
May-20	1.8844	-0.0134	0.0075
Jun-20	1.8767	-0.0137	0.0074
Jul-20	1.8739	-0.0139	0.0078
Aug-20	1.8727	-0.0141	0.0074
Sep-20	1.8733	-0.0141	0.0070
Oct-20	1.8747	-0.0140	0.0068
Nov-20	1.8763	-0.0139	0.0067
Dec-20	1.8775	-0.0138	0.0067
Jan-21	1.8788	-0.0142	0.0059
Feb-21	1.8731	-0.0145	0.0051
Mar-21	1.8621	-0.0150	0.0053
Apr-21	1.8448	-0.0154	0.0047

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$57.7700	-\$0.8100
Crude - Brent	WTI Spread	\$63.3900	-\$0.5800
Natural Gas	\$5.62	\$2.6650	\$0.0980
Gasoline		\$1.6743	-\$0.0301

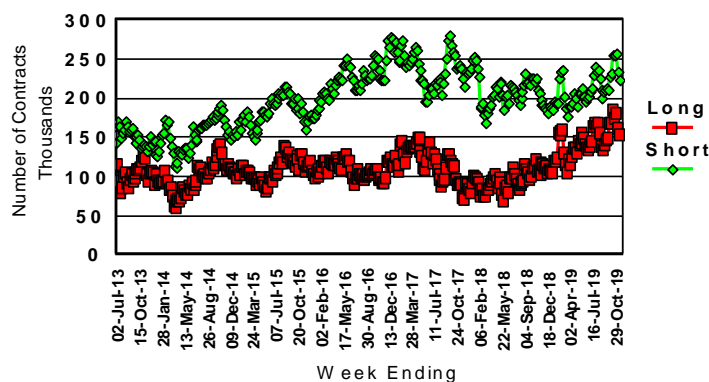
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending November 19, 2019

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

