

## Market Commentary

**Recap:** The oil market looked ready to post an inside trading day as it failed to breach Friday's trading range for most of the session. The crude market opened at \$51.02 and posted a high of \$52.81 before it retraced its previous gains. The market breached Friday's low amid reports that the OPEC and non-OPEC output cut agreement will be signed in three months' time. The oil market's losses were also in line with further declines posted in the stock market. The crude market, which was holding support over the \$51/barrel level was further pressured and sold off to a low of \$50.53 following the close. The January WTI contract settled down \$1.61 at \$51.00. The February Brent contract settled down \$1.70 at \$59.97. Meanwhile, the product markets settled sharply lower, with the heating oil market settling down 4.21 cents at \$1.8441 and the RBOB market settling down 6.69 cents at \$1.4189.

**Technical Analysis:** The crude market is seen trading mostly sideways as it continues to hold support over the \$50 level. More distant support is seen at its previous low of \$49.41. Meanwhile, resistance is seen at \$54.22, the \$55 level, \$58.80 and \$59.51.

**Fundamental News:** Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, December 7<sup>th</sup> increased by 1,212,729 barrels on the week but fell by 420,257 barrels from Tuesday, December 4<sup>th</sup> to 41,415,020 barrels.

Saudi Arabia's Energy Minister, Khalid al-Falih, said he discussed the state of the oil market with US Energy Secretary, Rick Perry, on Monday in Dhahran, Saudi Arabia.

According to Petro-Logistics, Saudi Arabia's oil exports reached a record high in November ahead of the OPEC agreement that takes effect next month when shipments from the country are expected to fall by more than 1 million bpd. Saudi Arabia's oil exports in November stood at 8.105 million bpd, up from 7.491 million bpd in October. This would suggest that oil exports from Saudi Arabia in December would fall to about 7.6 million bpd and would further decline to about 7 million bpd in January. Saudi Arabia's Oil Minister, Khalid al-Falih, said the country's oil exports would be less than 8 million bpd in December, down from about 8.3 million bpd in November. He also stated that Saudi Arabia would pump about 10.2 million bpd in January, down from about 10.7 million bpd in December.

Iraq's Oil Minister, Thamer Ghadhban, said he expected the fall in oil prices to stop and for prices to increase over time, adding that if OPEC had not cut production, prices would have reached \$45-\$50/barrel. He also stated that the recent decline in Iraqi exports was not due to technical issues but rather because of weather conditions.

Abu Dhabi National Oil Co informed its customers of a cut in its crude oil nominations for January in line with OPEC's decision last week to cut oil supplies. Nominations for Murban crude will be cut by 15% while both Das and Upper Zakum grades will be cut by 5% each.

Libya's National Oil Co declared force majeure on exports from the El Sharara oilfield on Sunday after tribesmen and state security guards seized the facility. It said the shutdown of its largest oilfield will result in a daily production loss of 315,000 bpd and an additional loss of 73,000 bpd at the El Feel oilfield. It said production at the Zawiyah refinery was also at risk due to its dependence on crude oil supply from Sharara. Libya's NOC has demanded that the group leave the field immediately without pre-condition.

IIR Energy reported that US oil refiners are expected to shut in 206,000 bpd of capacity in the week ending December 14<sup>th</sup>, increasing available refining capacity by 95,000 bpd from the previous week. IIR expects offline capacity to fall to 69,000 bpd in the week ending December 21<sup>st</sup>.

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

WTI - Jan \$51.78, up 79 cents

RBOB - Jan \$1.4291, up 95 points

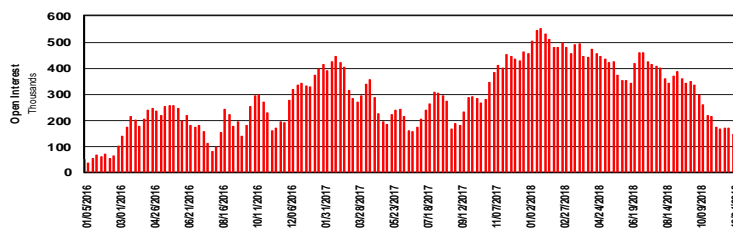
HO - Jan \$1.8609, up 1.65 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-19	\$1.8441	-\$0.0421	-\$0.0434
Feb-19	\$1.8353	-\$0.0425	-\$0.0444
Mar-19	\$1.8261	-\$0.0430	-\$0.0453
Apr-19	\$1.8167	-\$0.0431	-\$0.0449
May-19	\$1.8172	-\$0.0430	-\$0.0437
Jun-19	\$1.8215	-\$0.0431	-\$0.0418
Jul-19	\$1.8306	-\$0.0427	-\$0.0409
Aug-19	\$1.8405	-\$0.0426	-\$0.0409
Sep-19	\$1.8515	-\$0.0424	-\$0.0409
Oct-19	\$1.8619	-\$0.0419	-\$0.0401
Nov-19	\$1.8711	-\$0.0417	-\$0.0393
Dec-19	\$1.8783	-\$0.0415	-\$0.0388
Jan-20	\$1.8840	-\$0.0411	-\$0.0385
Feb-20	\$1.8855	-\$0.0408	-\$0.0391
Mar-20	\$1.8840	-\$0.0407	-\$0.0392
Apr-20	\$1.8743	-\$0.0404	-\$0.0391
May-20	\$1.8719	-\$0.0400	-\$0.0388

Other Front Month NYMEX		Close	Change
Crude - WTI	Feb Brent-	\$51.2000	-\$1.6100
Crude - Brent	WTI Spread	\$59.9700	-\$1.7000
Natural Gas	\$8.77	\$4.5450	\$0.0570
Gasoline		\$1.4189	-\$0.0669

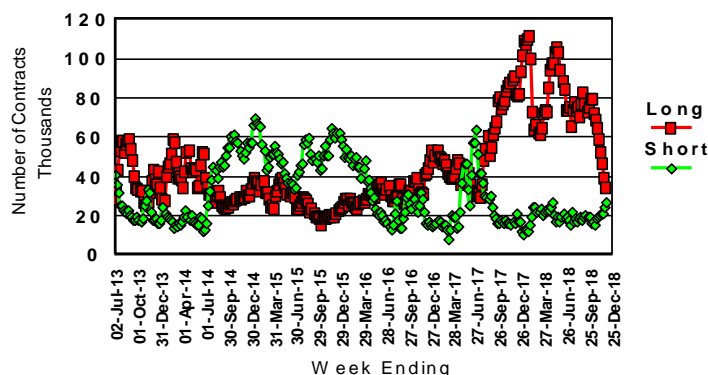
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending December 4, 2018

### Managed Money Heat Positons

CFTC Commitment of Traders Report



### Managed Money RBOB Positons

CFTC Commitment of Traders Report

