

## Market Commentary

**Recap:** Oil futures slightly rose on Friday, as the market continues to recover from fears of demand destruction due to the omicron variant of COVID. January WTI traded at a session high of \$72.33, up \$1.39, or 1.5%, after falling 2% on Thursday. Oil prices posted their largest weekly gains since August, ending the week up 8.2% for WTI and up 7.5% for Brent, based upon the front-month settlement. West Texas Intermediate crude for January delivery rose 73 cents, or 1%, to settle at \$71.67 a barrel. February Brent crude added 73 cents, or 1%, to end at \$75.15 a barrel, following a 1.9% decline on Thursday. January RBOB tacked on 0.4% to \$2.137 a gallon, settling 9.4% higher for the week, while January heating oil rose nearly 0.1% to \$2.252 a gallon, for a weekly rise of 7.3%

**Technical Analysis:** At the moment, oil futures are vulnerable to the downside. The omicron variant was at the forefront of this past week's headlines, pushing prices lower. With the winter weather baring down upon us, more folks will be spending time indoors, and which is known to help spread the coronavirus, so demand is still a sensitive topic. OPEC and its allies are moving ahead with their planned January oil output rise of 400,000 barrels per day, another bit of bearish news. That being said, we would look for this market to try and work its way higher, only to be met with quite a bit of resistance. A break in WTI below the 200-day moving average, which is currently set at \$69.42, should bring this market down toward the \$65 and perhaps add enough pressure to take us to the \$61 area.

**Fundamental News:** U.S. drillers this week added oil and natural gas rigs for the sixth time in seven weeks. Baker Hughes reported that the oil and gas rig count increased by seven to 576 in the week ending December 10<sup>th</sup>, its highest since April 2020. Oil rigs increased by four to 471 this week, their highest since April 2020, while gas rigs increased by three to 105, their highest March 2020.

Saudi Aramco has notified at least two North Asian buyers that it will supply full contractual volumes of crude oil in January. Most buyers were allocated full volumes.

IIR Energy reported that U.S. oil refiners are expected to shut in 385,000 bpd of capacity in the week ending December 10<sup>th</sup>, cutting available refining capacity by 66,000 bpd.

A European source said world powers will assess over the next few days whether Iran is serious in nuclear negotiations after it indicated it was ready to continue talks on the basis of texts that had been agreed at the last round in June. Iran's top negotiator said Tehran was sticking to the stance it laid out last week, when the talks broke off with European and U.S. officials accusing Iran of making new demands and of renegeing on compromises worked out earlier this year. Separately, a senior European Union official said talks to salvage the 2015 Iran nuclear deal are moving forward, adding that various big matters were still open for a deal on a final text.

The U.S. Labor Department reported that the consumer price index increased by 0.8% in November after increasing by 0.9% in October. In the 12 months through November, the CPI accelerated 6.8%. Excluding the volatile food and energy components, the CPI increased by 0.5% in November after gaining 0.6% in October. The so-called core CPI increased by 4.9% on a year-on-year basis after increasing 4.6% in October.

**Early Market Call - as of 9:40 AM EDT**

WTI - Jan \$71.03, down 65 cents  
 RBOB - Jan \$2.1295, down 77 points  
 HO - Jan \$2.2513, down 3 points

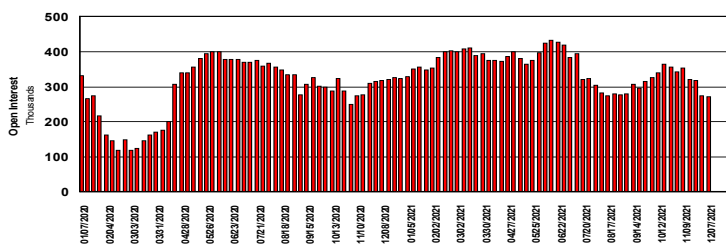
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-22	2.2516	0.0013	0.1532
Feb-22	2.2458	0.0024	0.1567
Mar-22	2.2317	0.0027	0.1583
Apr-22	2.2107	0.0034	0.1604
May-22	2.1953	0.0042	0.1595
Jun-22	2.1851	0.0048	0.156
Jul-22	2.1814	0.0049	0.1541
Aug-22	2.1796	0.005	0.1523
Sep-22	2.1799	0.005	0.1526
Oct-22	2.1801	0.005	0.1501
Nov-22	2.179	0.0048	0.1485
Dec-22	2.1763	0.0041	0.1462
Jan-23	2.1738	0.0036	0.1441
Feb-23	2.1674	0.0037	0.1423
Mar-23	2.157	0.0038	0.1407
Apr-23	2.1426	0.0037	0.1389
May-23	2.1334	0.0035	0.136

### Settlements

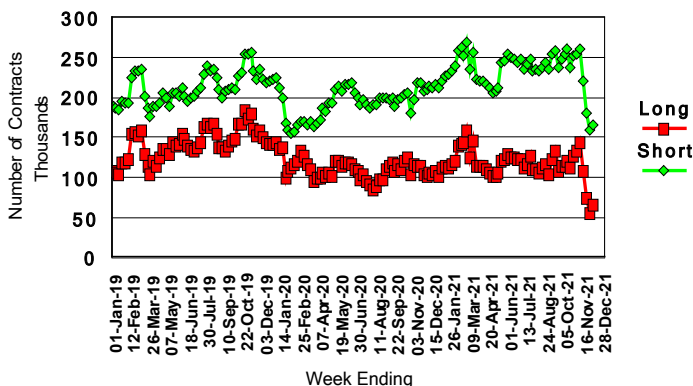
		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$3.67	\$71.4800	\$0.6900
Crude - Brent		\$75.1500	\$0.7300
Natural Gas		\$3.9250	\$0.1110
Gasoline		\$2.1372	\$0.8800

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



## Commitment of Traders Report for the Week Ending December 7, 2021

Producer/Merchant Heat Positons  
CFTC Commitment of Traders Report



Managed Money Heat Positons  
CFTC Commitment of Traders Report

