

Market Commentary

All NYMEX | Prior Settlements

Recap: On Friday, the oil market continued to trend higher following Thursday's rebound from its lows following OPEC's decision to stick to its existing policy of monthly output increases of 400,000 bpd. The market was further supported as OPEC+ stated that it could review its production policy at short notice if oil demand fell due to a rising number of lockdowns. The OPEC+ ministers said they could meet again before their next scheduled meeting on January 4th. The market opened slightly higher and retraced some of its previous gains in overnight trading, before the market continued on its upward trend. The market was also supported as diplomats negotiating with Iran said many challenges remain, with talks set to resume in the middle of next week. However, the oil market later gave up its gains as weaker equities and a rising dollar pressured the market, pushing the market into negative territory. The January WTI contract sold off to a low of \$65.73 ahead of the close and settled down 24 cents at \$66.26. The February Brent contract settled up 21 cents at \$69.88. The product markets ended in negative territory, with the heating oil contract settling down 50 points at \$2.0984 and RBOB market settling down 1.48 cents at \$1.9529.

Technical Analysis: The oil market is seen retracing today's late sell off on Monday. The market is expected to trade within its recent trading range, with resistance at its high of \$67.50, \$69.49, followed by \$70.54, its 50% retracement level off a low of \$62.43 to a high of \$78.65, and \$72.45. Support is seen at \$65.60, \$61.74, \$61.00 and \$60.50.

Fundamental News: Baker Hughes reported that U.S. energy firms this week maintained the number of oil and natural gas rigs. The U.S. oil and gas rig count held at 569 in the week ending December 3rd. The number of rigs searching for oil held at 467 this week, while the number of rigs drilling for natural gas remained unchanged at 102.

IIR Energy reported that U.S. oil refiners are expected to shut in 285,000 bpd of capacity in the week ending December 3rd, increasing available refining capacity by 29,000 bpd.

U.S. President, Joe Biden, said U.S. drivers are beginning to see lower prices at gasoline pumps but added that China has not yet participated in a global release of oil reserves that his administration has tried to coordinate.

Japan's Industry Minister, Koichi Hagiuda, said the country's plan to release oil from strategic reserves in coordination with the United States and other consuming countries remains unchanged despite the recent drop in oil prices.

Goldman Sachs said current oil price levels offer "compelling" opportunities for investors to reposition for an ongoing structural bull market and OPEC's decision to increase output only supports this upbeat view. The bank said "slower shale production growth will come at the cost of a faster normalization in OPEC spare capacity, which would turn particularly bullish if no deal with Iran is agreed to in 2022." The decision adds upside risks to its \$85/barrel Brent forecast for 2023.

Indirect talks between Iran and the United States on salvaging the 2015 Iran nuclear deal adjourned on Friday and will resume in the middle of next week, the talks' coordinator and China's top envoy to the negotiations, Wang Qun, said. Meanwhile, senior diplomats from France, Britain and Germany taking part in talks on reviving the Iran nuclear deal expressed "disappointment and concern" at Tehran's proposed alterations to a text that had been agreed on in previous rounds. They said it is "unclear how these new gaps can be closed in a realistic timeframe on the basis of Iranian drafts." Separately, White House Press Secretary, Jen Psaki, said that Iran's approach in talks this week was not to resolve nuclear issues, noting that a solution could be at hand if Iran was committed.

Early Market Call - as of 8:25 AM EDT

WTI - Jan \$68.27, up \$2.01

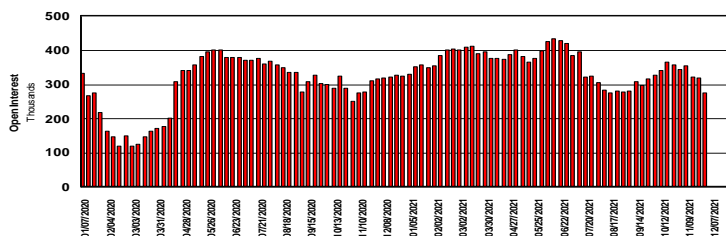
RBOB - Jan \$1.9988, up 4.59 cents

HO - Jan \$2.1440, up 4.56 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-22	2.0984	-0.005	0.0077
Feb-22	2.0891	-0.0028	0.0021
Mar-22	2.0734	-0.0015	-0.0042
Apr-22	2.0503	-0.0004	-0.0094
May-22	2.0358	-0.0003	-0.0104
Jun-22	2.0291	-0.0009	-0.0089
Jul-22	2.0273	-0.0023	-0.0076
Aug-22	2.0273	-0.0029	-0.0058
Sep-22	2.0287	-0.0033	-0.0044
Oct-22	2.03	-0.0037	-0.0061
Nov-22	2.0305	-0.0038	-0.0072
Dec-22	2.0301	-0.0039	-0.0082
Jan-23	2.0297	-0.0038	-0.0085
Feb-23	2.0251	-0.0028	-0.0067
Mar-23	2.0163	-0.0014	-0.0047
Apr-23	2.0037	-0.0003	-0.0026
May-23	1.9974	-0.0001	-0.0026

Settlements			Close	Change
Crude - WTI	Feb Brent-WTI Spread \$3.78	}	\$66.1000	-\$0.1700
Crude - Brent			\$69.8800	\$0.2100
Natural Gas			\$4.1320	\$0.0760
Gasoline			\$1.9529	-\$0.0148

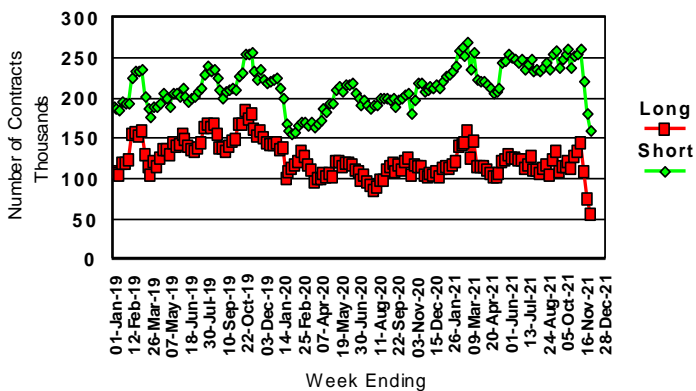
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending November 30, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

