

Market Commentary

Recap: Oil prices edged higher Tuesday amid hopes that trade talks between China and the U.S. will ultimately result in a deal that sustains global economic growth and energy demand while OPEC restrains production. Oil markets received an extra boost after Russian news agency TASS said that OPEC and other major producers are considering extending the agreed upon output cuts for additional 3 to 6 months after the expiration date of March 2020. January WTI rose 55 cents, or 0.9% to a session high of \$58.56 a barrel before paring gains for a settlement of \$58.41 a barrel, up 40 cents, or 0.6%. January Brent added 62 cents, or 0.9%, to settle at \$64.27 a barrel. December RBOB closed up 1.7% at \$1.7047 a gallon, while December heating oil rose 0.8% to \$1.9606 a gallon.

Technical Analysis: Oil prices remain in an uptrend, with a break above \$58.74 helping to accelerate a move toward the \$60.00 area. Above this level, additional resistance is set at \$60.00 and above that at \$61.15. Support is seen at \$57.57 and below that at \$56.60.

Fundamental News: The head of the International Energy Agency, Fatih Birol, said OPEC countries, which are meeting next week to discuss their level of oil output, should make the right decision for the global economy, which remains "very fragile." Overall, he expected oil supply to be plentiful, the result of demand slowing due to weaker economic growth, especially in China. In regards to the US, he said he expected production growth in the shale oil sector to slow from previous "explosive" levels due to the financial difficulties of some US shale producers, not because shale resources were depleting.

An OPEC source said the OPEC's Joint Technical Committee that reviews the state of the oil market has scheduled a meeting for December 3rd in Vienna. OPEC is scheduled to meet on December 5th followed by talks with other producers, including Russia, that have agreed to reduce output to support prices.

Brazilian oil workers represented by the Federation of Oil Workers, or FUP, walked off the job on Monday morning, defying a labor court judge's order that called the walkout illegal. The strike is expected to last until Friday and will not affect essential needs of the population.

Energy Aspects reported that oil refineries are likely cutting runs at around 300,000 bpd due to weak profit margins. It stated that there has been some trimming of runs in Singapore, Korea, Italy, Rotterdam and parts of Latin America and with new refining capacity ramping up in Asia, this volume of run cuts will be easily offset.

US President, Donald Trump, said the US was in the "final throes" in its attempt to reach a trade deal with China, but at the same time the US stands with protesters in Hong Kong, where it wants to see democracy.

The European Union said officials from China, Russia, France, Germany and Britain will meet with Iran in Vienna on December 6th to discuss how to uphold the 2015 nuclear deal with Iran.

Early Market Call - as of 8:30 AM EDT

WTI - Jan \$58.51, up 10 cents
RBOB - Dec \$1.6871, down 76 points
HO - Dec \$1.9684, up 78 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-19	\$1.9606	\$0.0163	-\$0.1032
Jan-20	\$1.9580	\$0.0157	-\$0.1025
Feb-20	\$1.9537	\$0.0154	-\$0.0907
Mar-20	\$1.9418	\$0.0142	-\$0.1002
Apr-20	\$1.9243	\$0.0134	-\$0.0971
May-20	\$1.9110	\$0.0131	-\$0.0930
Jun-20	\$1.9019	\$0.0124	-\$0.0884
Jul-20	\$1.8981	\$0.0117	-\$0.0852
Aug-20	\$1.8958	\$0.0109	-\$0.0828
Sep-20	\$1.8956	\$0.0105	-\$0.0811
Oct-20	\$1.8964	\$0.0101	-\$0.0800
Nov-20	\$1.8977	\$0.0098	-\$0.0794
Dec-20	\$1.8988	\$0.0097	-\$0.0789
Jan-21	\$1.8994	\$0.0095	-\$0.0772
Feb-21	\$1.8931	\$0.0094	-\$0.0756
Mar-21	\$1.8817	\$0.0093	-\$0.0737
Apr-21	\$1.8640	\$0.0093	-\$0.0721

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$58.4100	\$0.4000
Crude - Brent	WTI Spread	\$64.2700	\$0.6200
Natural Gas	\$5.86	\$2.4700	-\$0.0610
Gasoline		\$1.7047	\$0.0299

API Report for the Week Ending November 22, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 3.66 million barrels	Down 418,000 barrels
Cushing, OK Crude Stocks	Down 516,000 barrels	
Gasoline Stocks	Up 4.4 million barrels	Up 1.2 million barrels
Distillate Stocks	Down 665,000 barrels	Up 750,000 barrels
Refinery Runs	Up 221,000 b/d	

NYMEX Heating Oil Dec-Jan Spread



NYMEX RBOB Dec-Jan Spread

