

Market Commentary

Recap: Oil futures fell for a second day on Tuesday, with December WTI slipping toward key support set at \$55.00 and January Brent falling below \$61.00 a barrel. Pressure was provided by reports that Russia wasn't likely to advocate for deeper output cuts during the upcoming December meeting of some of the world's biggest producers and on rising concern regarding the lack of progress in trade talks between the U.S. and China. WTI for December delivery fell \$2.00, or 3.5%, to a session low of \$55.85 a barrel, after a 1.2% slide on Monday, while January Brent lost \$1.74, or 2.8%, to \$60.70 a barrel, following its 1.4% skid, a day ago. Losses were slightly pared, with December WTI settling at \$55.21 a barrel, down \$1.84, or 3.23%, and January Brent falling \$1.53, or 2.45%, to settle at \$60.91 a barrel. December RBOB finished down 1.1% at \$1.6037 a gallon and December heating oil losing 2.5% to \$1.8574 a gallon.

Technical Analysis: Based upon a daily spot continuation chart, WTI slipped below the 10 and 50-day moving averages and the bottom trend line of the ascending channel.

this pushed the December WTI, current spot contract out of the near term sideways trading pattern. At this point, we would expect the \$55.00 level to provide strong support. A successful break below this level sets up for a run at \$54.00 and below that at \$53.00. to the upside resistance is set at \$56.04 and \$56.77.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, November 12th fell by 1,740,732 barrels on the week and by 1,531,454 barrels from Friday, November 8th to 46,148,810 barrels.

North Dakota's Industrial Commission said the state's oil production fell by 37,000 bpd to 1.443 million bpd in September.

Russia is unlikely to agree to deepen cuts in oil output at a meeting with fellow exporters next month but could commit to extend existing cuts to support Saudi Arabia. OPEC is meeting on December 5th in Vienna, followed by talks with a group of non-OPEC producers, known as OPEC+. On the same day, December 5th, Saudi Arabia is set to announce the pricing for the public share placement of Saudi Aramco.

Aiteo said Nigeria's Nembe Creek oil trunk pipeline has been shut down due to sabotage. A spokesman for the company did not say when the closure began and it was not clear whether force majeure had been declared on exports.

Northwest European refining margins turned negative on Tuesday, falling to about -\$0.49/barrel. Margins fell to their lowest since October 2013. A sharp decline in gasoline and fuel oil margins in recent days precipitated the fall, with a relative strength in middle distillates failing to keep overall margins in positive territory.

Canadian Prime Minister, Justin Trudeau's government said it would monitor the Canadian National Railway strike that is set to disrupt grain and oil deliveries as thousands of workers walked off their jobs for the first time in a decade. About 3,000 workers went on strike after the workers and the government failed to resolve contract issues. The two sides will continue talks on Tuesday in Montreal over what the union calls health and safety issues.

Russia's Foreign Ministry said Russia strongly condemns the US decision to drop a sanctions waiver related to Iran's Fordow nuclear facility and believes the decision violates US international commitments. It said Russia is continuing its close cooperation with Iran on the Fordow reconfiguration.

France said it regretted a US decision to end a sanctions waiver related to Iran's Fordow nuclear facility but added it was concerned by Iran's latest violations of a 2015 nuclear deal that could lead to serious proliferation.

Early Market Call - as of 8:30 AM EDT

WTI - Dec \$55.56, up 36 cents

RBOB - Dec \$1.6122, up 92 points

HO - Dec \$1.8722, up 1.5 cents

All NYMEX | Prior Settlements

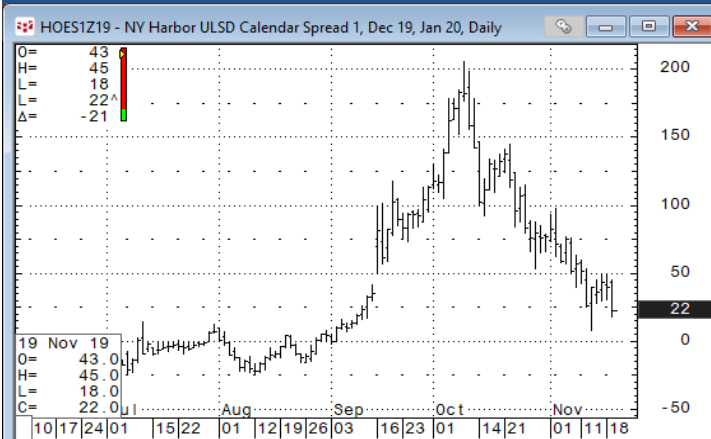
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-19	\$1.8574	-\$0.0473	\$0.0402
Jan-20	\$1.8555	-\$0.0449	\$0.0396
Feb-20	\$1.8511	-\$0.0436	\$0.0494
Mar-20	\$1.8416	-\$0.0416	\$0.0393
Apr-20	\$1.8272	-\$0.0397	\$0.0393
May-20	\$1.8180	-\$0.0385	\$0.0390
Jun-20	\$1.8135	-\$0.0371	\$0.0369
Jul-20	\$1.8129	-\$0.0364	\$0.0364
Aug-20	\$1.8130	-\$0.0358	\$0.0359
Sep-20	\$1.8145	-\$0.0353	\$0.0356
Oct-20	\$1.8164	-\$0.0349	\$0.0355
Nov-20	\$1.8183	-\$0.0348	\$0.0354
Dec-20	\$1.8199	-\$0.0347	\$0.0349
Jan-21	\$1.8222	-\$0.0336	\$0.0341
Feb-21	\$1.8175	-\$0.0327	\$0.0342
Mar-21	\$1.8080	-\$0.0321	\$0.0339
Apr-21	\$1.7919	-\$0.0312	\$0.0329

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$55.3500	-\$1.7900
Crude - Brent	WTI Spread	\$60.9100	-\$1.5300
Natural Gas	\$5.56	\$2.5100	-\$0.0560
Gasoline		\$1.6037	-\$0.0173

API Report for the Week Ending November 15, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 6 million barrels	Up 1.6 million barrels
Cushing, OK Crude Stocks	Down 1.4 million barrels	Up 1.7 million barrels
Gasoline Stocks	Up 3.4 million barrels	Up 870,000 barrels
Distillate Stocks	Down 2.2 barrels	Down 732,000barrels
Refinery Runs	Up 182,000 b/d	Up 1 % at 88.8%

NYMEX Heating Oil Dec-Jan Spread



NYMEX RBOB Dec-Jan Spread

