



Energy Benchmark

Crude Oil Prices

Product	Opening Price	% Change from previous day OP
ICE BRENT	67.76	-0.91%
NYMEX WTI	59.87	-0.20%
TOCOM	45780	-
Source	Bloomberg	

Get today's analysis on market fundamentals and pricing action here!

Get technical analysis, economic calendars and pricing charts on the second page of the report.

Oil eases up on bullish gains on global growth worries

Market Overview

WTI closed at 59.98 on Thursday 21/03/19 with a 0.41% loss against Wednesday's closing price. Crude oil futures pulled back gently on growing economic weakness though tighter market fundamentals continue to deliver strong support for oil prices in the current term. The compounded effects of OPEC-led production cuts and a 2nd consecutive week decline in US inventories have bolstered oil prices to 2019 highs. The impact of US sanctions on Venezuela and Iran has further hampered production capacity and lowered output levels significantly for the 2 OPEC members. Oil prices as such continue to receive strong support as market sentiments remain positive on a potential supply deficit in the coming quarter. (See technical chart and diagrams below)

Key Market Commentaries

Key performance indicators to monitor and observe for crude oil futures.

Will crude oil prices breach 2018 highs in the coming term?

The WTI index has appreciated significantly by 18% since the start of the New Year. Sharp output reduction by Saudi Arabia, Iraq, Kuwait and the UAE has contributed to stronger oil prices amidst tighter global supply in Q1 19. Geopolitical uncertainties have laid strong support for crude oil futures as traders deliberate production woes from Iran and Venezuela (US Sanctions). Though OPEC has shown for determination to drain excess global capacity, money managers has yet to deliver for similar sentiments as swing variables loom large for 2019. Improved fracking efficiencies from US Shale producers, heightened geopolitical concerns and flagging economic growth continue to cap bullish gains for 2019. Upside potential for crude oil futures as such remains measured amidst increasing downside risks in 2019.

Daily Market Assessment

Market expectations remains supportive of oil prices as traders contemplate on tighter market fundamentals (ICE Brent – Backwardation) seen in Q1 2019. Though we assess for strong support in crude oil futures, we note for limited upside potential amidst weaker fuel demand, rising US shale output and heightened geopolitical swing variables for 2019.

Today's Outlook: Range-Bound (WTI: 58.36 - 61.60)

Mid-Term Market Assessment

West Texas Intermediate (WTI) crude oil futures have notched significant gains from previous lows in Q4 2018 as market sentiments recuperate from OPEC-led supply cuts. A sharp decline in output levels Saudi Arabia has bolstered upside potential for crude oil futures in lieu of potential tightness in market fundamentals. Rising economic risks have capped bullish gains however as the prospect of weaker fuel demand looms large in 2019.

Q2 2019: West Texas Intermediate - 58.00- 63.00

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Technical Analysis for Crude Oil – WTI

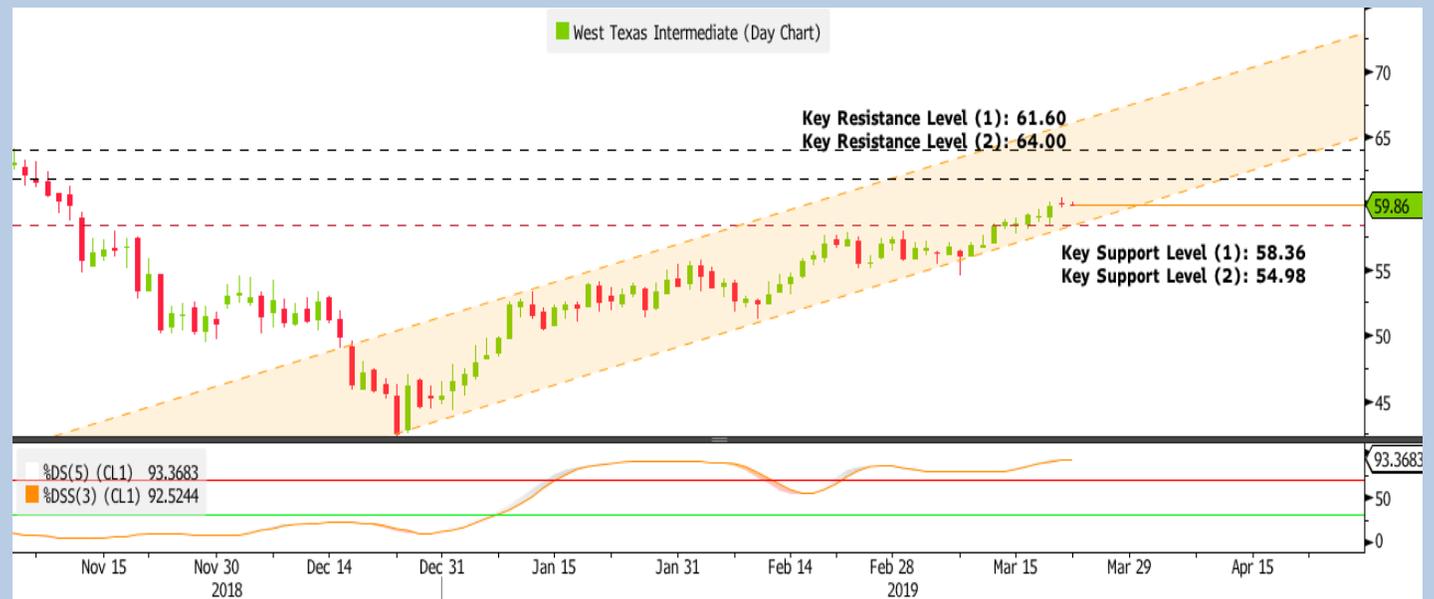


Chart type: *Bloomberg NYMEX West Texas Intermediate (WTI – Day Chart)*

WTI crude oil futures edged lower as market forces eased up on bullish gains last night. Oil prices though illustrating for tight trading conditions (21/3) continues to demonstrate for a bullish technical overview. Should oil prices however enter into a correction phase, we continue to assess for strong support at the 58.36 mark in the current term. A resumption of the bullish trend scenario will take oil prices to the next main station of 61.60 in the coming term.

We expect today's trading range for WTI (May 19) to be between:

Key Resistance Level: 61.60 Key Support Level: 58.36

Weekly Economic Indicators			EIA Weekly Crude Oil Stocks (Change)		
API Inventory Report	20/03/2019	0430hrs (SG)	Period	Actual	Forecast
EIA Inventory Report	20/03/2019	2230hrs (SG)	15/03/2019	-9.589m	+2.600m
OPEC Monthly Report	23/03/2019	1900hrs (SG)	08/03/2019	-3.862m	+2.600m
IEA Monthly Report	23/03/2019	1730hrs (SG)	01/03/2019	+7.069m	+2.500m
Source	PFPL/Bloomberg		22/02/2019	-8.647m	+2.600m
			Source	PFPL/Bloomberg	

Diagram 1.1 – EIA Weekly Crude Oil Inventories

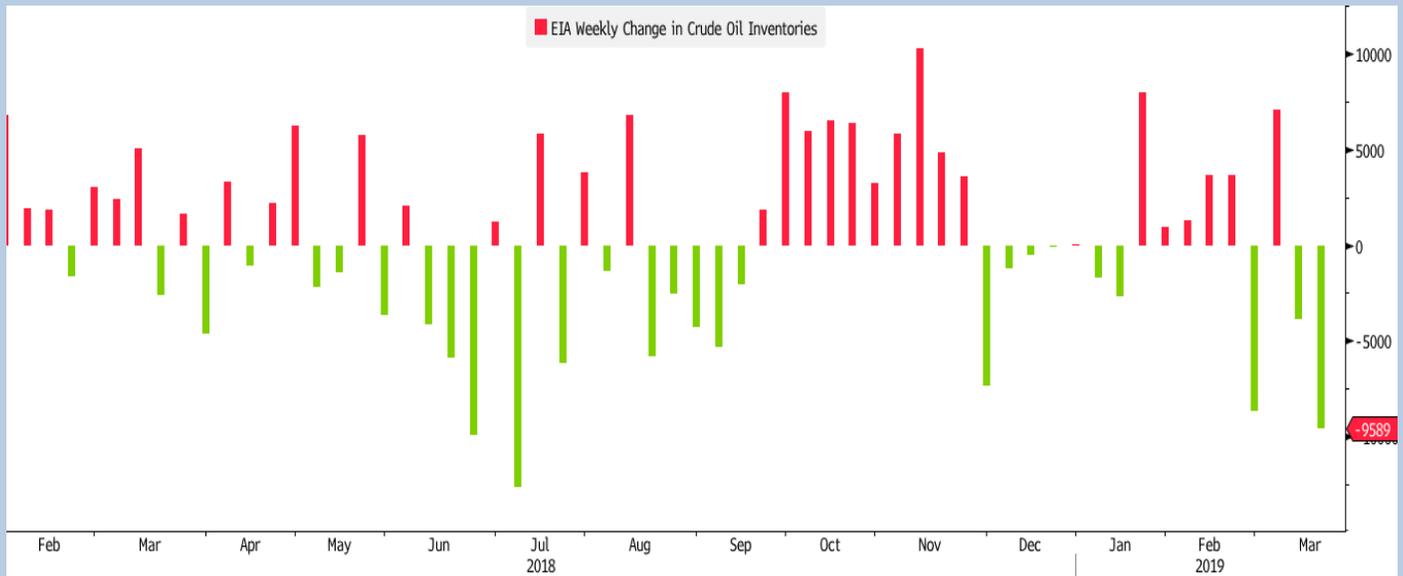


Chart type: Bloomberg - EIA Weekly Crude Oil Inventories – 15th March 2019

Diagram 1.2 – EIA Weekly Gasoline Inventories

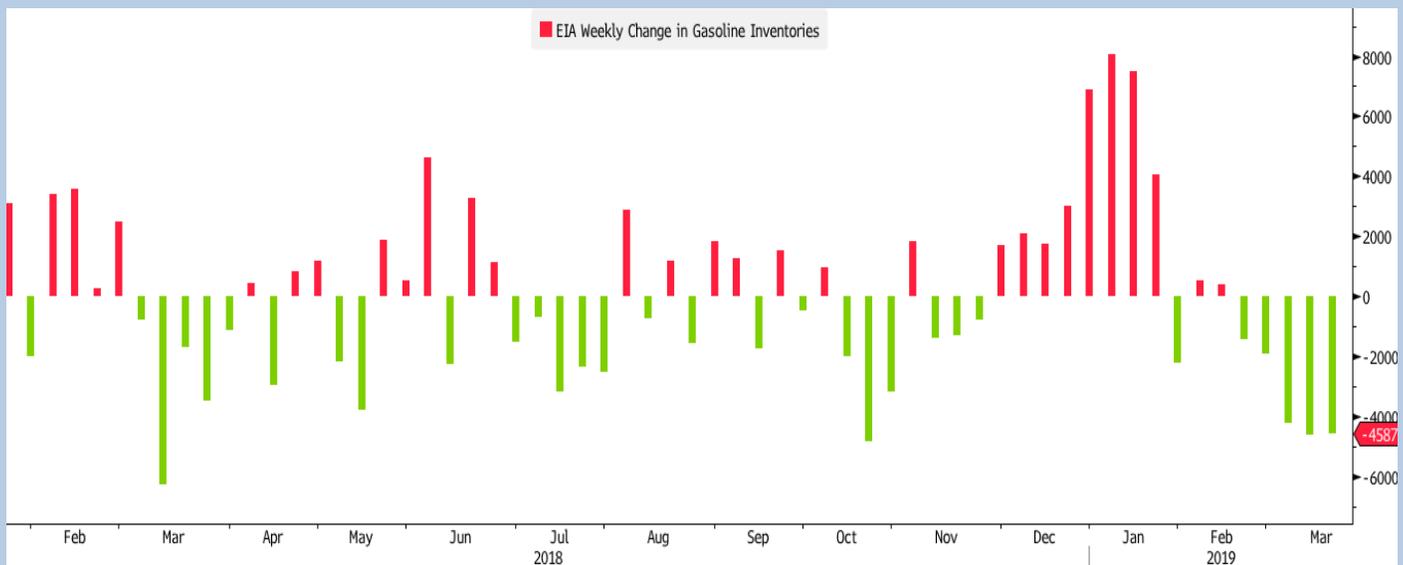


Chart type: Bloomberg - EIA Weekly Gasoline Inventories - 15th March 2019

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