



Energy Benchmarks

Crude Oil Prices

Product	Opening Price	% Change from previous day OP
ICE BRENT	60.94	-2.15%
NYMEX WTI	55.16	-3.05%
TOCOM	38500	-2.16%
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.

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Oil heads south over looming geopolitical concerns

Market Overview

NYMEX WTI (Dec 19) closed at \$55.21 per barrel on Tuesday 19/11/19 with a 3.22% loss against Monday's closing price. WTI crude oil futures weakened substantially for the 2nd consecutive day as traders deliberate looming geopolitical uncertainties. Negative signals on US-China trade talks and persistent weakness in global economic releases curbed risk appetites as markets turn jittery over less-than promising headlines. Market reports on Russia's reluctance to restrict crude oil production levels at the OPEC Meeting (Dec-19) tempered market expectations on oil prices for the coming term. Over in the United States, the American Petroleum Institute (API) reported for a strong build in crude oil inventories by 5.95 million barrels whilst gasoline stocks increased by 3.35 million barrels for the week ending Oct 15th. (See technical chart and diagrams below)

Key Market Commentaries

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

Market Updates: How will a revival in global risk appetite impact oil prices?

A positive consensus in US-China trade talks and aggressive monetary policy easing by global central banks has improved global risk sentiments (4Q). Oil prices traded positive (Nov-19) amid an uptick in US economic surveys and talks of deeper output cuts by OPEC+. Subdued global growth and softer petroleum demand though limiting upside potential for crude oil futures has yet to afflict sharp bearish pressure as traders contemplate geopolitical risks in the Middle East. Should global economic conditions illustrate for stronger signs of recovery over monetary policy easing, we expect for oil prices to scale the charts albeit gently for the current term (Nov-19).

Daily Market Assessment

Less-than promising headlines over global oil production (2020) and looming geopolitical concerns have cast a shadow on risk-on sentiments. Technical buying activities though likely to prop oil prices higher today amid strong support at key technical level (54.95), will continue to struggle over looming market uncertainties for the near term.

Today's Outlook: Range-Bound (WTI: 56.05 - 54.95)

Mid-Term Market Assessment

Downward revisions on global oil demand projections have imposed severe headwinds on oil prices for H2 2019. Flagging economic growth, US trade protectionist policies along with robust US shale production have capped upside gains as traders deliberate looming downside risks. Oil prices though suffering from strong negative bias will illustrate for range-bound conditions as traders balance between OPEC-led supply cuts and demand-side concerns (4Q).

4Q 2019: West Texas Intermediate (WTI) – 55.00 - 60.00 (Range-Bound)

Technical Analysis for Crude Oil – WTI



Chart type: *Bloomberg NYMEX West Texas Intermediate Crude Oil Futures (WTI – 4H Chart)*

WTI crude oil futures succumbed to strong negative pressures after market bears breached key technical level of 56.05.

Stochastics are currently indicating for oversold price levels. Strong support at key technical level (54.95) have propped oil prices upwards. Oil prices must hold above 54.95 for a resumption of the positive trend scenario in the near term. Failure to do so will encourage market bears to target the next main station of 53.80.

Today's trading range for WTI (Jan 19) to be between:

Key Resistance Level (1) & (2): 56.05 & 57.20 Key Support Level (1) & (2): 54.95 & 53.80

Weekly Economic Indicators			EIA Weekly Crude Oil Stocks (Change)		
API Inventory Report	20/11/2019	0430hrs (SG)	Period	Actual	Forecast
EIA Inventory Report	20/11/2019	2230hrs (SG)	15/11/2019	-	+1.200m
Baker Hughes Oil Rig Count	23/11/2019	0130hrs (SG)	08/11/2019	+2.219m	+3.000m
CFTC NYMEX MM Positions	23/11/2019	0400hrs (SG)	01/11/2019	+7.929m	+0.800m
Source	PFPL/Bloomberg		25/10/2019	+5.702m	+1.700m
			Source	PFPL/Bloomberg	

Diagram 1.1 – Baker Hughes Crude Oil Rig Count

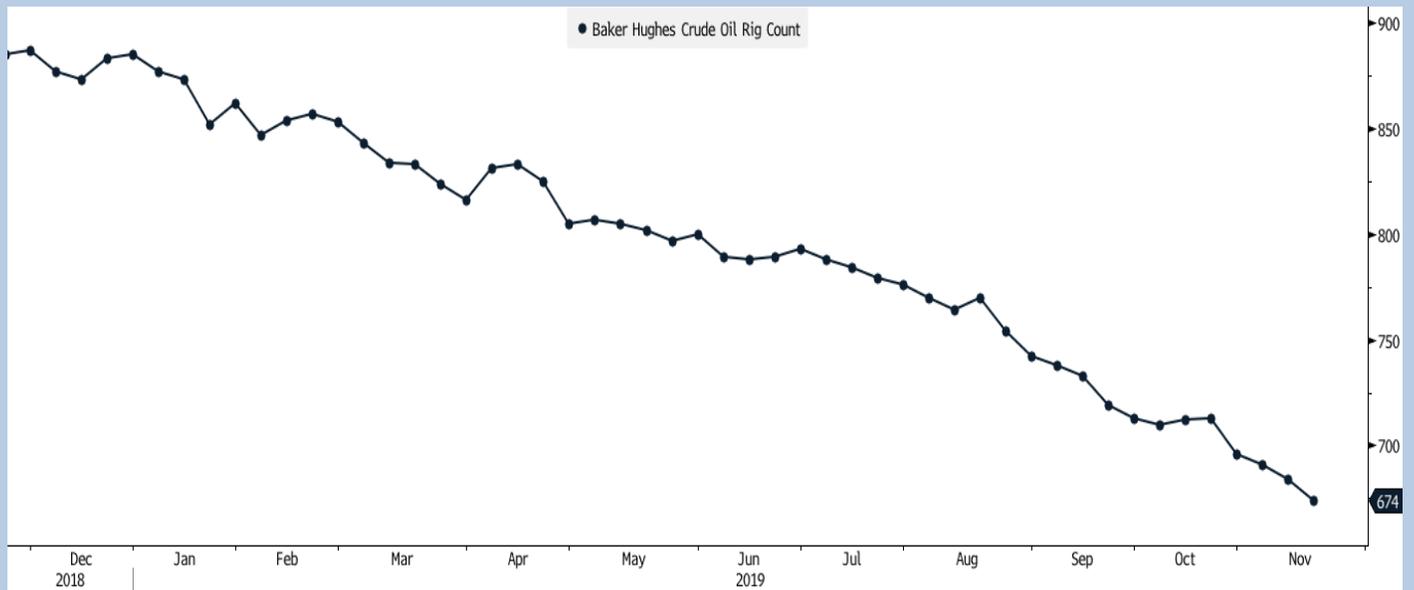


Chart type: Bloomberg – Baker Hughes Crude Oil Rotary Rig Count – 15th November 2019

Diagram 1.2 – CFTC NYMEX Crude Oil Managed Money Net Long Positions

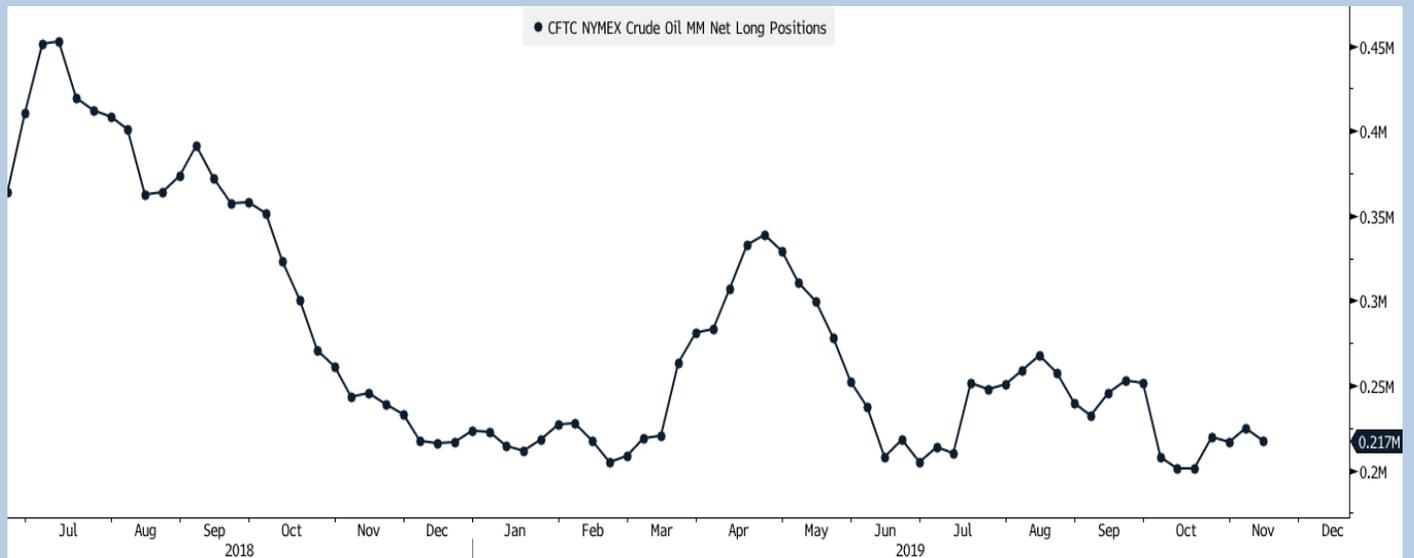


Chart type: Bloomberg – CFTC NYMEX Crude Oil Managed Money Net Long Positions – 12th November 2019

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