



Energy Benchmarks

Crude Oil Prices

Product	Opening Price	% Change from previous Day OP
ICE BRENT	61.16	-2.74%
NYMEX WTI	55.93	-3.39%
TOCOM	38310	0.26%
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 falls as markets weigh subdued global growth

Market Overview

NYMEX WTI (Oct 19) closed at \$55.75 per barrel on Wednesday 11/09/19 with a 2.87% loss against Tuesday's closing price. Crude oil futures declined as OPEC made downward revisions for global oil demand in 2020 amid subdued economic growth and strong US production levels. Global trade uncertainties and heightened geopolitical risks have imposed considerable headwinds for oil prices as traders deliberate looming downside risks for the coming term. Rising OECD commercial stockpile levels and downbeat demand projections will impede bullish gains for crude oil futures in 2H 2019. Over in the United States, the Energy Information Administration (EIA) reported for a decrease in crude oil inventories by 6.9 million barrel whilst gasoline stocks fell by 0.7 million barrels for the week ending Sep 6th. (See technical chart and diagrams below)

Key Market Commentaries

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

Market Updates: Limited upside potential for oil prices in 2H 2019?

Subdued economic momentum and lackluster global petroleum demand has afflicted severe headwinds for crude oil futures in Q3. Heightened geopolitical risks from a prolonged Sino-US trade dispute raised global recessionary concerns whilst prompting bearish influences on crude oil prices. OPEC-led supply cuts though providing a price floor (WTI) have struggled to rally global oil benchmarks forward as markets fixate against looming demand-side weaknesses. WTI crude oil futures will continue to face strong resistance at key technical levels amid robust US production levels and new transportation pipelines (Permian Basin) in 2H 2019.

Daily Market Assessment

Crude oil futures though benefitting from US-China trade concessions and an improvement in global risk appetites will continue to struggle against bearish demand-side projections. Persistent economic gloom and strong US production levels (12.4 million bpd) will limit upside gains for oil prices (2H 2019).

Today's Outlook: *Mildly Bearish* (WTI: 52.84 - 57.25)

Mid-Term Market Assessment

An extension in output cuts by OPEC+ till March 2020 along with dovish signals by the US Federal Reserve will keep oil prices supported in Q3 2019. Subdued economic momentum, global trade uncertainties and rising market risks will cap bullish gains for crude oil futures as traders fret over looming demand-side concerns.

Q3 2019: West Texas Intermediate (WTI) – 55.00 - 60.00 (Range-Bound)

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Technical Analysis for Crude Oil – WTI



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

WTI crude oil futures closed lower for the 2nd consecutive day though support was found at 55.65 (38.2%). Failure to hold above key support level (55.65) will see oil prices target the next main station of 52.84 (Previous Lows). Oil prices must break above 57.25 for a resumption of the bullish trend scenario for the current term.

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

Key Resistance Level (1) & (2): 57.25 & 58.86 Key Support Level (1) & (2): 55.65 & 52.84

Weekly Economic Indicators			EIA Weekly Crude Oil Stocks (Change)		
API Inventory Report	11/09/2019	0430hrs (SG)	Period	Actual	Forecast
EIA Inventory Report	11/09/2019	2230hrs (SG)	6/09/2019	-6.912m	-2.665m
Baker Hughes Oil Rig Count	14/09/2019	0130hrs (SG)	30/08/2019	-4.771m	-3.120m
CFTC NYMEX MM Positions	14/09/2019	0400hrs (SG)	23/08/2019	-10.027m	-2.850m
			16/08/2019	-2.732m	-1.500m
Source	PFPL/Bloomberg		Source	PFPL/Bloomberg	

Diagram 1.1 – EIA Weekly Crude Oil Inventories

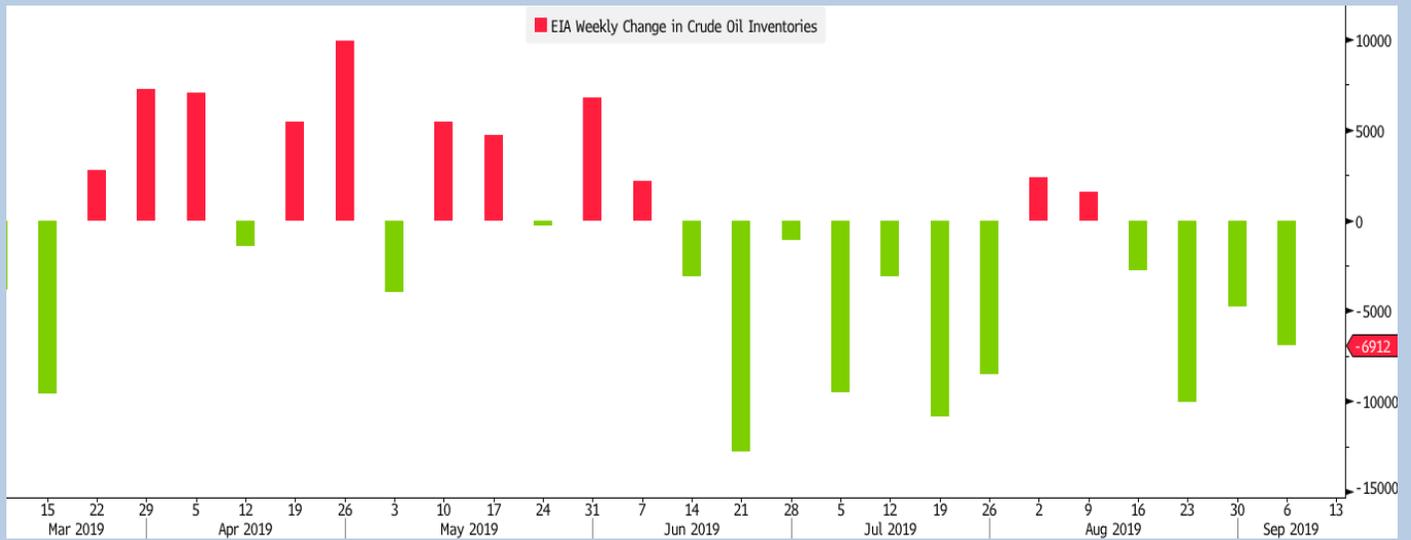


Chart type: Bloomberg – EIA Weekly Crude Oil Inventories – 6th September 2019

Diagram 1.2 – EIA Weekly Gasoline Inventories

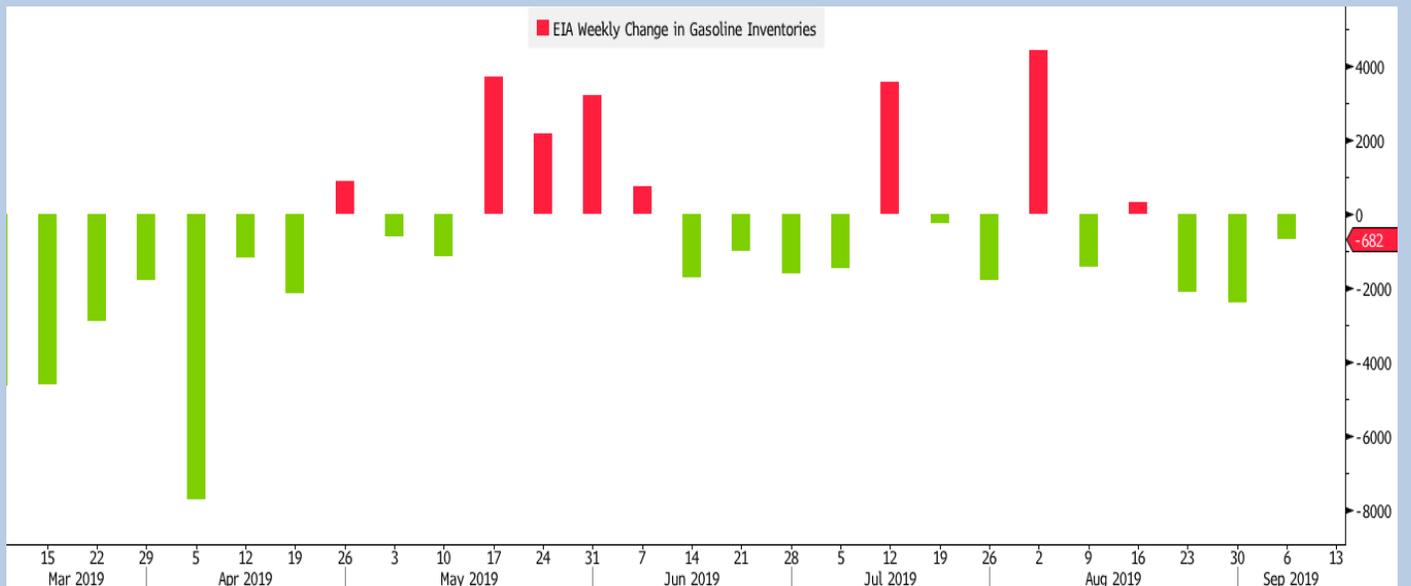


Chart type: Bloomberg – EIA Weekly Gasoline Inventories – 6th September 2019

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