



Wednesday, November 23, 2016

Today's Market News

- OPEC:** Many analysts expect to see OPEC lead the way for production cuts once an agreement has been made, however some are still skeptical that the agreed upon production cuts will not be big enough to put an end to the supply glut and balance the market. The most recent set of meetings has deferred to a later date; November 30th.
- China:** The country has laid out a plan to develop a shale gas blueprint in hopes of pulling out 30 billion cubic meters in three to five years. The overall investment will cost an estimated 268 million dollars.
- Goldman Sachs:** A few major banks made some adjustments after the announcement of the Nov. 30th OPEC meeting. Goldman Sachs raised their three-month forecast for WTI to \$55 per barrel, an increase of \$10 per barrel from their last adjustment. Their projection for 2017 is heavily weighted for the beginning of the year due to OPEC discussion but still have their mark set at \$52.50
- Market Opinion:** The energy complex is starting off slightly down this morning as no new information has come to light from OPEC. The US dollar is leading the way today with strong gains so far which is helping push energies down. Look for the DOE report to help support this move if it follows the early estimates of the API report sent yesterday.

Technical Highlights - Please call your account manager for larger chart.



RBOB

The driving season showed to be a volatile time for RBOB and is currently holding below the 40 and 200 day moving averages with a resistance near \$1.41 and support quite a bit lower around \$1.28. The roll gap that can be seen in the blue dotted circle filled it relatively quickly however the roll gap from earlier in the year still has yet to fill completely. The large gap seen at the end of February (orange dotted circle) was primarily due to change from winter gas to summer gas.

Contract		NYMEX as of 7:53		Support	Resistance
DEC RBOB	↓	0.0080 @	1.4018	1.2820	1.4105
DEC HO	↓	0.0054 @	1.5209	1.5000	1.5500
JAN Crude	↓	0.45 @	47.60	47.22	48.75

