

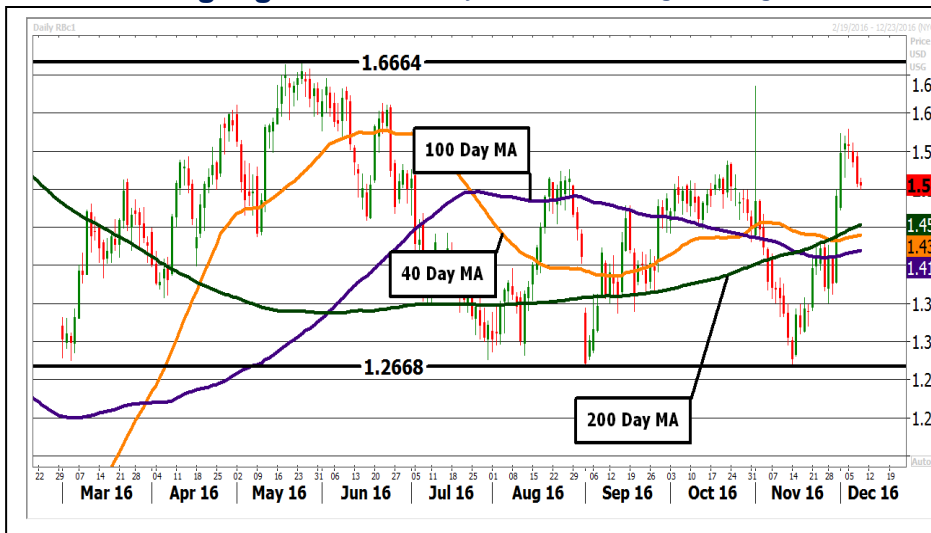


Thursday, December 08, 2016

Today's Market News

- Oilfield services:** The rise in crude oil prices has brought a resurgence of the need for oilfield services like drillers, truckers, and other service providers. Many of these oilfield services has been idle with the low price of crude and do not have the capital to restart operations. This is causing a spike in Chapter 11 filings, so they can restructure debt and begin borrowing money to revive their businesses to service the oil industry.
- European Central Bank:** The ECB left interest rates unchanged, but in a surprise move, cut its asset spending by 25%. In recent moves, the ECB has purchased mostly government debt bonds in a manner to prevent inflation and trying to kick start the Eurozone economy. This practice started after the 2008-2009 debt crisis.
- OPEC:** Bank of America Merrill Lynch (BAML) believes that the latest agreement by OPEC to cut production will likely turn the global balance into a deficit as early as the first quarter of 2017. This line of thinking would cause prices to move higher. However, BAML is the only major bank that has come out with this bullish sentiment.
- Market Opinion:** Energies are basically neutral this morning as there is little news pushing the market in a specific direction. Reuters is saying that even if OPEC follows through on their production cuts, it will take a significant increase in global demand to draw down inventories. They recently polled 29 analysts and they predict WTI will average \$55.23 for 2017.

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



Gasoline Daily:

It has been a pretty wild ride over the past month as the gasoline futures have covered about a 30 cent range. The market has softened a bit since the big run up after the OPEC meeting last week. Look for initial support near \$1.45 with additional support above \$1.40. First level of resistance is the high from Monday near \$1.56 with additional resistance at the 2016 high of \$1.6664 that traded back in May.

Contract		NYMEX as of 7:45am	Support	Resistance
JAN RBOB	↓	0.0044 @ 1.5038	1.4518	1.5789
JAN HO	↓	0.0011 @ 1.6173	1.5217	1.6865
JAN Crude	↑	0.33 @ 50.10	47.88	52.42



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