



Tuesday, December 20, 2016

Today's Market News

- API Energy Stocks Expectations:** Analysts polled by Reuters expect API stocks to show a draw on crude of 2.425 m/b, a draw on distillate stocks of 1.67 m/b and a build on gasoline of 1.42m/b. API stocks are scheduled to be released today at 3:30 CST.
- OPEC:** OPEC members are still adhering to a combined cut of 1.2 million barrels per day starting January 1. There are some worries however that an increase in U.S. and Libyan production will counteract these cuts.
- Dollar:** The dollar has risen back toward a 14 year high to 103.58 after Fed Chair Yellen's positive comments on the U.S. economy yesterday, while civilian attacks in Germany and the assassination of Russia's Ambassador to Turkey softened the euro.
- Market Opinion:** The sentiment continues to be mixed, traders seem to be getting less and less doubtful that OPEC cuts will actually happen. Traders are reporting they feel that OPEC members will adhere to the cuts, however as stated above, will additional production offset the cuts? The Dow continues its push toward the 20,000 mark, last look trading to 19,883. Oil and refined product prices are edging slightly higher this morning, watch for larger than expected draws on crude and products for any major reaction to the upside.

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



HO daily:

The adjacent chart shows the last 4 months of heating oil trades. The 10, 20 and 100 day moving averages (MA) have been serving as both support and resistance. Watch for support with the 10 day moving average at \$1.6528, and below that the 23% retracement value of \$1.6311. A bearish close below that could bring it down to levels not seen since 12/1/16. To the upside the resistance comes to play at \$1.7106, the high from 12/12/16.

Contract		NYMEX as of 8:00am	Support	Resistance
JAN RBOB	↑	0.0171 @ 1.5812	1.5055	1.5910
JAN HO	↑	0.0066 @ 1.6756	1.6180	1.7106
JAN Crude	↑	0.29 @ 52.41	52.18	54.50

