

Energy

| | Last Price | CMP | % Change |
|------------------|------------|-------|----------|
| NYMEX WTI | 38.19 | 37.2 | -2.59 |
| NYMEX NG | 1.811 | 1.817 | 0.33 |
| MCX Crude Oil | 2882 | 2816 | -2.29 |
| MCX Natural Gas | 135 | 137.9 | 2.15 |
| Brent Oil | 40.8 | 40 | -1.96 |
| Brent-WTI Spread | 2.61 | 2.8 | 7.28 |

Energy Related News

Oil prices fell on Tuesday weighed down by a stronger dollar and oversupply concerns after it was announced that a trio of Gulf producers would end voluntary output cuts.

Saudi Arabia, however, later said it, Kuwait and the United Arab Emirates would not extend cuts of 1.18 million bpd they are currently making on top of that OPEC+ target.

Goldman Sachs raised its 2020 forecast for Brent to \$40.40 per barrel and WTI at \$36 but warned that prices would likely pull back in the coming weeks due to demand uncertainty and inventory overhang.

The American Petroleum Institute is scheduled to report inventory data on Tuesday, with U.S. crude and gasoline inventories estimated to have fallen by 1.5 million barrels and about 100,000 barrels respectively in the week.

Hedge funds have started to temper their bullishness towards oil after crude futures prices have doubled since late April.

Crude Oil Inventories

| | Actual | Expected | Previous Week | Total |
|---------------|--------|----------|---------------|-------|
| Crude oil | | | -2.100 | 532.3 |
| Distillate | | | 9.900 | 174.2 |
| Gasoline | | | 2.800 | 257.8 |
| Natural Gas | | | 102 | 2714 |
| Oil Rigs data | | | -16 | 206 |

Energy Outlook

Crude oil prices are trading lower for the day. We expect oil prices are expected to trade sideways to negative as the production cuts are already been priced in and the consumption growth seems gradual due to uncertainty.

Events For Today

| Time | Cur | Events | Forecast | Previous |
|-----------|-----|---------------------------------|----------|----------|
| 7:30pm | USD | Final Wholesale Inventories m/m | 0.40% | 0.40% |
| | USD | JOLTS Job Openings | | 6.19M |
| Tentative | USD | IBD/TIPP Economic Optimism | 52.1 | 49.7 |

9th June 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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NIL

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