

Energy

	Last Price	CMP	% Change
NYMEX WTI	39.15	38.98	-0.43
NYMEX NG	3.046	3.045	-0.03
MCX Crude Oil	2897	2892	-0.17
MCX Natural Gas	227.3	226.1	-0.53
Brent Oil	41.23	41.12	-0.27
Brent-WTI Spread	2.08	2.14	2.88

Energy Related News

Oil dropped as Democrat Joe Biden edged closer to the White House in a nail-biting U.S. presidential election, but the Republicans look likely to retain Senate control, decreasing the chances of any huge COVID-19 relief package.

A victory by Trump is viewed as bullish for oil because of sanctions on Iran to support prices while a win for Joe Biden would be seen as bearish to neutral because of his support for green policies and softer stance on Iran.

The dollar gained against a basket of currencies after Democrats looked unlikely to take control of the U.S. Senate, leading investors to unwind bets that a large fiscal package is likely.

Lower 48 US states rose to a seven-week high of 90.0 bcf/d, up 4.6 bcf/d since Hurricane Zeta. Refinitiv projected demand, including exports, would drop from an average of 96.6 bcf/d this week to 93.7 bcf/d next week.

OPEC+, would hold off on bringing back 2 million bpd of supply in January, given demand has been sapped by new COVID-19 lockdowns.

Inventory Data

	Actual	Expected	Previous Week	Total
Crude oil	-8.000	0.300	4.300	484.4
Distillate	-1.600	-2.500	-4.500	154.6
Gasoline	1.500	-0.800	-0.900	227.2
Natural Gas		-34	28B	3955
Oil Rigs data			10	221

Energy Outlook

Crude oil prices are trading lower for the day. We expect oil prices may trade positive after unexpected drawdown in US crudeoil inventories and on emerging talks of the need to delay the OPEC+ new production cutbacks of 2 million barrels from January to March 2021. However, under the Biden victory easing sanctions on Iran may bring the oil supply back into the market.

Events For Today

Time	Cur	Events	Forecast	Previous
7:00pm	USD	Unemployment Claims	746K	751K
	USD	Prelim Nonfarm Productivity q/q	3.60%	10.10%
	USD	Prelim Unit Labor Costs q/q	-10.00%	9.00%
9:00pm	USD	Natural Gas Storage	-34B	29B
12:30am	USD	FOMC Statement		
	USD	Federal Funds Rate	<0.25%	<0.25%
1:00am	USD	FOMC Press Conference		

5th November 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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Analyst's ownership of the stocks mentioned in the Report	NIL
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