

Energy

| | Last Price | CMP | % Change |
|------------------|------------|-------|----------|
| NYMEX WTI | 48 | 48.34 | 0.71 |
| NYMEX NG | 2.444 | 2.437 | -0.29 |
| MCX Crude Oil | 3527 | 3550 | 0.65 |
| MCX Natural Gas | 181.1 | 179.5 | -0.88 |
| Brent Oil | 51.23 | 51.55 | 0.62 |
| Brent-WTI Spread | 3.23 | 3.21 | -0.62 |

Energy Related News

Oil prices gained ground on Wednesday as a U.S. coronavirus fiscal aid package and a decline in crude oil inventories lifted prices.

Oil prices have remained supported by a weaker U.S. dollar overnight and have finally found a friend in the API inventory report

The dollar slumped to multi-year lows against many currencies as traders looked past a new delay in U.S. stimulus cheques and maintained bets that additional financial aid was still likely

Crude oil stocks fell by 4.8 million barrels last week to about 492.9 million barrels, exceeding analysts' expectations in a Reuters poll for a draw of 2.6 million barrels, API showed.

OPEC+ group is set to boost output by 500,000 barrels per day (bpd) in January, and Russia supports another increase of the same amount in February. OPEC meet to be held on Jan 4th.

Inventory Data

| | Actual | Expected | Previous Week | Total |
|---------------|--------|----------|---------------|-------|
| Crude oil | | -1.700 | -0.600 | 499.5 |
| Distillate | | -2.000 | -2.300 | 148.9 |
| Gasoline | | -1.800 | -1.100 | 237.8 |
| Natural Gas | | -130 | -152 | 3696 |
| Oil Rigs data | | | 5 | 263 |

Energy Outlook

Crude oil prices are trading higher for the day. We expect oil prices to trade sideways to positive on expectation of larger than expected drawdown of crudeoil inventories and on the signing of the U.S. stimulus bill, with the possibility of an increased size, putting a floor under oil prices. However fears of strains of coronavirus in Britain and vaccines availability concerns might restrict the upside in prices.

No Events For Today

| Time | Cur | Events | Forecast | Previous |
|--------|-----|----------------------------------|----------|----------|
| 7:00pm | USD | Goods Trade Balance | -81.5B | -80.3B |
| | USD | Prelim Wholesale Inventories m/m | 0.70% | 1.10% |
| 8:15pm | USD | Chicago PMI | 56.6 | 58.2 |
| 8:30pm | USD | Pending Home Sales m/m | 0.10% | -1.10% |
| 9:00pm | USD | Crude Oil Inventories | -1.7M | -0.6M |

30th December 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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