

CRUDE OIL REPORT

April 19, 2021



Crude oil gained last week on prospects of increased demand. Increase in refinery demand from major consumers, US and China, pushed prices to a 4-week high.

Global Economy

- Global equities displayed mixed signals last week. US Dow Jones Index gained 1.18 percent. Positive earnings in automotive sector lifted European equity indices. Meanwhile, major Asian peers slipped last week.
- The inflation rate in US jumped to 2.6 percent in March of 2021 from 1.7 percent in February. It is the highest reading since August of 2018.
- The trade balance data from China showed that the surplus narrowed to USD 13.8 billion in March 2021. Exports soared 30.6 percent and imports jumped 38.1 percent to an all-time high, at the fastest pace since February 2017.

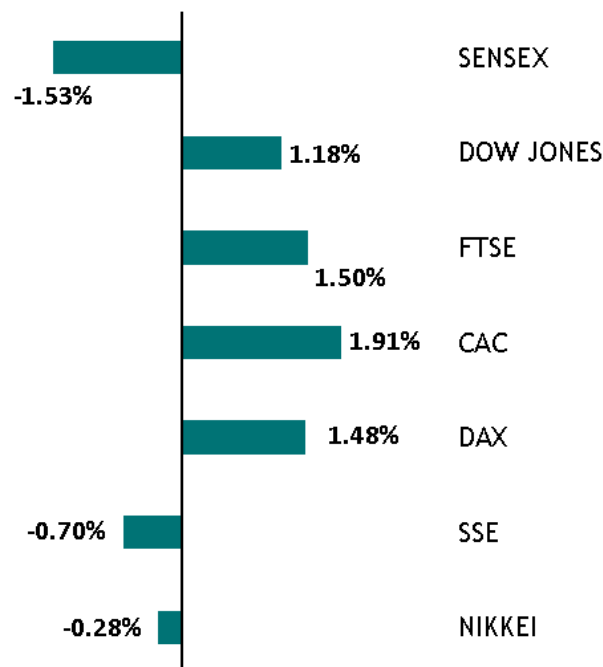
Currencies

- U.S. dollar eased against the currency basket last week by 0.92 percent, and closed at 91.556 marks.
- Euro gained by 1.14 percent. Chinese Yuan gained 0.19 percent and Japanese Yen gained 0.97 percent against greenback.
- Indian Rupee dipped 1.81 percent and settled at 74.72 marks against dollar.

Energy

- NYMEX crude gained 6.42 percent, MCX crude futures gained 6.47 percent.
- OPEC expects global oil demand to grow by 6 Mb/d in 2021, IEA forecasts an increase of 5.7 mb/d.
- Decision on restoring production within OPEC+ has been made, this to happen in May-July-said Russia's Deputy PM Alexander Novak

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	91.556	-0.92%
Euro/US Dollar	1.1896	1.14%
US Dollar/ Japanese Yen	109.65	0.97%
US Dollar/ Indian Rupee	74.722	-1.81%
US Dollar/ Chinese Yuan	6.5522	0.19%

*Currency rates mentioned above are Friday closing rates

Data/Events

Day	Data/Events
Tuesday	China - PBoC Loan Prime Rate
Wednesday	US EIA crude oil inventories

Crude oil rallied to 4-week highs on demand hopes

Crude oil prices in major platforms revived on prospects of rebounding demand. Refinery data major crude oil consuming nations, US and China, that shown recently signaled the recovering oil demand. In March, China's refiners processed about 20% more crude than a year earlier, pointing to the strength of the country's rebound.

OPEC expects global oil demand to grow by 6 Mb/d in 2021

Global oil demand in 2021 will grow by 6 million barrels per day to about 96.5 mb/d due to the global economic recovery and vaccinations, according to the April report from OPEC. Thus, the forecast for the growth of global demand has been increased by 100,000 bpd compared to the March report.

IEA ups oil demand forecast as vaccinations brighten outlook

Vaccine rollouts are brightening the outlook for global oil demand, the International Energy Agency (IEA) said in its monthly report last week, though rising cases in some major oil-consuming countries show a recovery may be fragile. Oil demand in 2021 is forecast to reach 96.7 mb/d, an increase of 5.7 mb/d from 2020.

OPEC+ deal compliance at 113% in March, Russia's compliance estimated at 95%

Participants of the OPEC+ deal to reduce oil production reached 113 percent compliance with their obligations in March, the International Energy Agency (IEA) said in its report. Compliance by OPEC countries was 124 percent and by non-OPEC countries it was 93 percent.

OPEC+ To Gradually Ease Production Cuts In May-July

Decisions on restoring oil production within OPEC+ have been made, and this will happen in May-July, Russian Deputy Prime Minister Alexander Novak said last week.

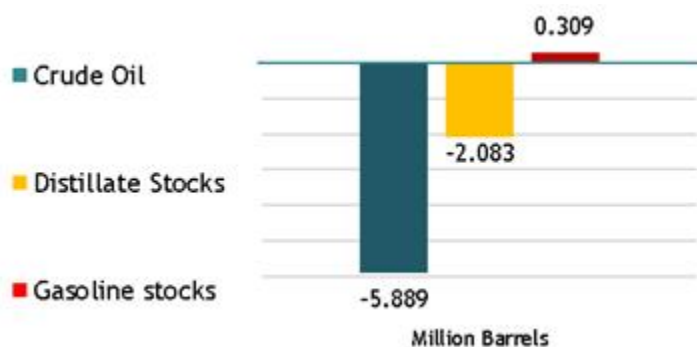
Money managers add net Longs in NYMEX Crude F&O

According to Commodity Futures Trading Commission (CFTC), the money managers increased bullish positions and bearish positions in US crude futures and option contracts last week. The net long positions in NYMEX crude F&O contracts increased.

US crude inventory

US EIA Crude stockpiles fell by 5.889 million barrels in the week ended 9 April. Distillate inventory, which included diesel and heating oil, fell by 2.083 million. At the same time gasoline stocks increased by 0.309 million barrels in the week. Refinery operated at 85 percent of total capacity.

Weekly Inventory Change - U.S. EIA

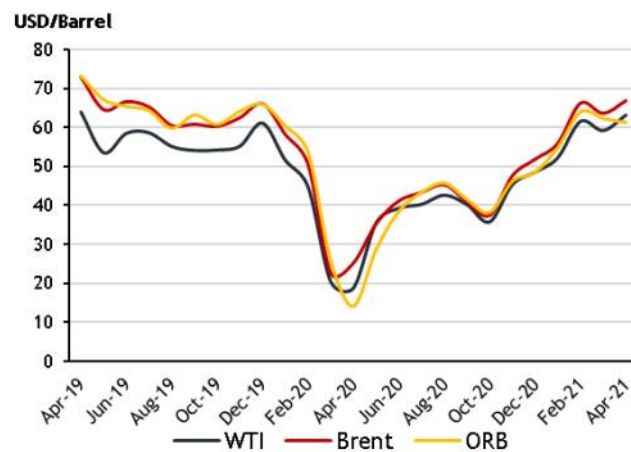


Global Market Prices

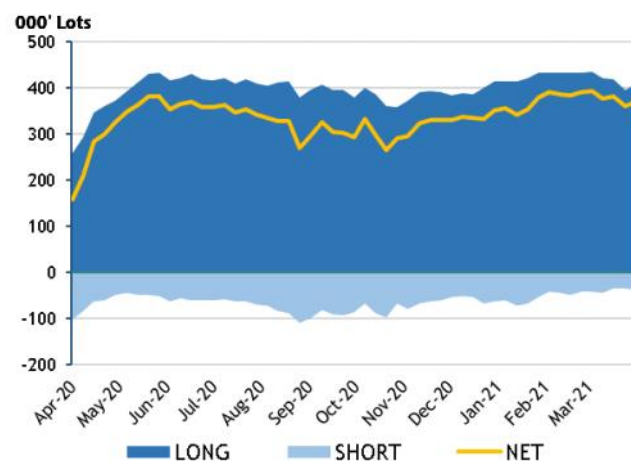
Crude	Close Price	WoW % Chg	YoY % Chg
NYMEX	63.13 (\$/bl)	6.42%	214.01%
ICE	66.77 (\$/bl)	6.07%	151.44%
MCX	4721 (Rs/bl)	6.47%	259.01%

*Near month futures contracts in NYMEX, ICE and MCX
*Prices mentioned above are Friday closing rates

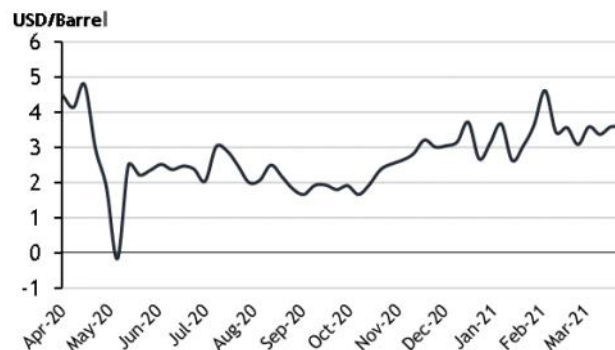
Performance of Major Benchmarks (USD/Bl)



Money Managed F&O Positions in NYMEX



Brent - WTI Spread



Daily LIGHT CRUDE MAY1

25.09.2020 - 27.04.2021 (NYC)



Technical Outlook

Prices continue to stay firm on hopes of stronger demand outlook due to signs of economic recovery in the top consumers like US and China. Many of the large economies have reported a sharp rise in industrial and economic activities which expected to increase the demand for fuel later. Existing production policies of OPEC and U.S may also bring down global supply glut and balance the market. At the same time, the second wave of Covid 19 in many countries may limit sharp gains in the commodity.

NYMEX May: Consistent trades above \$64 would extend the bullish outlook towards \$67 initially followed by \$72 or more. Meanwhile, an unexpected drop below \$57.20 would trigger weakness in the counter.

MCX May: Prices required to break Rs 4850 to continue bullish outlook in the counter. Immediate trend reversal point is placed at Rs 4200.

Trading Outlook		
	NYMEX May	MCX May
Weekly View	RANGE BOUND	POSITIVE
Short Term View	MILD NEGATIVE	RANGE BOUND
Technical Levels		
Trading Range	\$72-48	Rs 5200-3800
Resistance 1	64	4820
Resistance 2	68	5028
Resistance 3	72	5440
Pivot	62.20	4520
Support 1	61	4480
Support 2	57.20	4210
Support 3	54	3980



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