

---

US Supply concern and positive Eco data to support oil prices

---

---

## US SUPPLY CONCERN AND POSITIVE ECO DATA TO SUPPORT OIL PRICES

---

- WTI Crude oil prices are currently trading at \$72.31, up from a low of \$61.74 last month. Oil prices have risen this week as US storm-damaged supply slowly returns to the market. The output recovery appears to be trailing behind demand. Positive economic data in US also support the prices.
- Hurricane Ida had knocked off 513,878 bpd (28 percent) of US crude production in the Gulf of Mexico as of Thursday afternoon. As Tropical Storm Nicholas makes its way up the US Gulf Coast, crude production could be further delayed.
- The majority of US economic data was better than predicted, which bodes well for energy demand and crude prices. Retail sales in the United States unexpectedly gained +0.7 percent m/m in August, compared to predictions of -0.7 percent m/m. In addition, the September Philadelphia Fed business outlook survey unexpectedly increased by +11.3 points to 30.7, vs predictions of a drop to 19.0. On the downside, weekly initial jobless claims increased by 20,000 to 332,000, indicating a weaker labour market than the 322,000 expected.
- Global oil supplies dipped -540,000 bpd in August due to unanticipated disruptions, according to the International Energy Agency (IEA), and global crude supplies may not increase until October after Hurricane Ida wiped out advances in OPEC+ production. Oil prices are likely to remain stable in the near future.
- Growing worry in Iran over uranium production has heightened the likelihood of more sanctions against Iran. Iran has refused to cooperate fully with international observers once again. Iran has boosted its stockpile of uranium enriched near to the levels needed for weapons-grade, according to the International Atomic Energy Agency, and continues to restrict inspections of sites and an inquiry into undeclared activities.
- However, rising concern over demand and increasing OPEC production is likely to weigh on oil prices. A negative factor for crude is increased OPEC crude output after OPEC Aug crude production rose +290,000 bpd to 27.11 million bpd, a 16-month high. The spread of the delta Covid variant is negative for crude prices since it may lead to tighter restrictions that curtail economic growth and energy demand.
- On the inventory front, the EIA reported on Wednesday that US crude oil stockpiles were -7.7% below the seasonal 5-year average as of September 10, gasoline inventories were -4.3% below the 5-year average, and distillate inventories were -13.0% below the 5-year average.
- Meanwhile, US crude oil output grew +1.0 percent w/w to 10.1 million bpd in the week ending September 10, down -3.0 million bpd (-22.9 percent) from the record-high of 13.1 million bpd set in February 2020.

### Outlook

- WTI Crude oil prices are expected to trade higher while remaining above important support levels of the 50-day EMA at \$69.37 and the 100-day EMA at \$68.09, while stiff resistance is expected between \$73.84-\$74.69.

---

## DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

---

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto:kamlesh.jogi@abans.co.in)

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: [info@abans.co.in](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://www.abans.co.in)

---

### Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). ABans Broking Services Pvt. Ltd. (ABSPL) is a SEBI Registered Research Analyst having registration no. INH000006369. ABSPL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. ABSPL is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of ABSPL is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website [www.abans.co.in](http://www.abans.co.in) Mandatory Disclosures as per the Regulations:

#### Ownership & Material conflicts of interest –

- Whether the Research Analyst or ABSPL, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – No
- Whether the Research Analyst or ABSPL, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance – No
- Whether the Research Analyst or ABSPL, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance – No

#### Receipt of Compensation –

- Whether ABSPL, or its associates have received any compensation from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – No

#### Whether the Research Analyst has served as an officer, director or employee of the subject company – No

#### Whether the Research Analyst or ABSPL has been engaged in market making activity for the subject company – No

#### Other material disclosures, if any

### Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on [compliance@abans.co.in](mailto:compliance@abans.co.in)