

---

On ambivalent sentiments, WTI Crude Oil is hovering around \$76 a barrel.

---

---

## ON AMBIVALENT SENTIMENTS, WTI CRUDE OIL IS HOVERING AROUND \$76 A BARREL

---

- Crude oil prices are marginally up from Fridays closing and hovering around \$76 on mixed sentiments. Concerns over rapidly spreading COVID-19 pandemic are likely to keep oil prices under pressure. US health experts warned Americans to prepare for severe disruptions in coming weeks, with infection rates likely to worsen amid increased holiday travel, New Year celebrations and school reopening following winter breaks.
- Reduced jet fuel demand is weighing on crude prices after U.S. airlines cancelled more than 1,200 flights on Friday, adding to the thousands of flights cancelled the previous weekend due to winter weather and high Covid rates. Cathay Pacific Airways has virtually decreased the number of flights into Hong Kong from outside China beginning next month, while British Airways has announced that it would cancel flights into the UK until March. According to Bloomberg data, airlines throughout the world have cancelled 8.4% of flights scheduled for January in the last four weeks.
- Supply situation could in future as demand is slowing and production is expanding. As per Reuters survey, Brent crude would average \$73.57 a barrel in 2022, about 2% lower than \$75.33 consensus in November.
- Oil prices to get fresh direction from OPEC+ meeting which is scheduled for January 4th. OPEC+ will probably stick to their plan to add 400,000 barrels per day of supply in February.
- PDVSA, Venezuela's state-owned oil corporation, has surprised analysts by announcing a large increase in crude oil output for November 2021. In November 2021, Venezuela pumped an average of 824,000 barrels per day. This is a significant 9 percent rise over a month ago, and nearly double the 434,000 barrels per day produced in the same period a year ago.
- Libya's oil production is expected to plummet by 200,000 barrels per day over the next week as workers attempt to repair a broken pipeline. The new disruption comes less than two weeks after militiamen shut down the OPEC member's largest field, Sharara, resulting in a 350,000 barrel per day reduction in output. Libyan production will be reduced to around 700,000 barrels per day as a result of the shutdown, the lowest in more than a year.
- On economic data front, The China Dec manufacturing PMI unexpectedly rose +0.2 to 50.3, stronger than expectations of a decline to 50.0 and the fastest pace of expansion in 5 months. Also, the China Dec non-manufacturing PMI unexpectedly rose +0.4 to 52.7, stronger than expectations of a decline to 52.0.
- According to the weekly EIA data released last Wednesday, U.S. crude oil stockpiles were -7.7% lower than the seasonal 5-year average on December 24, gasoline inventories were -5.6% lower than the 5-year average, and distillate inventories were -13.3 percent lower than the 5-year normal.

- ▲ Baker Hughes stated on Friday that active U.S. oil rigs remained constant at a 1-3/4-year high of 480 rigs in the week ending December 31.
- ▲ Total Long of crude oil futures fell -6 882 contracts to 340 255, according to the CFTC Commitments of Traders report for the week ended December 21. Longs were down -4 957 contracts, while shorts were up +1 925 contracts.

## Outlook

- ▲ WTI Crude oil prices are likely to get fresh direction from OPEC+ meeting tomorrow meanwhile immediate support level could be seen around \$75.4-\$72.70 and immediate resistance is seen around \$77.6-79.9

---

## 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)