

THANKS, BUT, NO THANKS

TOP HEADLINES:

- Euro zone lost some growth but oil prices help: ECB
- Saudi Arabia oil pumping at record high as Trump raises pressure
- Signs German economy cooling as Brexit, trade conflicts weigh: Ifo

MarketUpdate	Month	Last Close	Change	S/T Bias	Viewpoint
WTI Crude Oil	January	50.80	0.38	Positive	OPEC-Russia set to tighten supplies... again.
Brent Crude Oil	February	59.77	0.72	Positive	Global production outages drain supplies
RBOB Gasoline	January	1.3901	.0141	Neutral	Seasonal price downturn underway
ULSD Heating Oil	January	1.8838	0136	Neutral	Diesel demand strong on robust global economy
Natural Gas	January	4.081	-.274	Neutral	Bulls finally gaining upper hand

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US ECONOMIC EVENTS TO WATCH THIS WEEK

Monday 11/26

- Ifo Business Climate (GER)
- Chicago Fed (USA)

Tuesday 11/27

- OPEC Meeting (EUR)
- CB Consumer Confidence (USA)

Wednesday 11/28

- GDP (USA)
- New Home Sales (USA)
- EIA Petroleum (USA)

Thursday 11/29

- Consumer Confidence (EUR)
- Jobless Claims (USA)
- Natural Gas (USA)
- Mfg PMI (CHN)

Friday 11/30

- B-H Rig Count (USA)

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[Full Weekly Economic Calendar Overview \(Bloomberg\)](#)

Global Macroeconomic

Finally, there is some green on the screen for the S&P 500 futures board. A Brexit deal was struck over the weekend, and that appears to be giving the market some relief, but it is a take-it-or-leave-it one from the EU. So, this is still a jump ball given Prime Minister May's low popularity. The U.S. – China trade war will be on full display in the lead up to the G20 meeting later this week. In short, the ills that have struck the equity market remain, and our sense is that today will come to stand as a temporary relief rally, with more downside to come. It is still a sell-the-rips market.

Petroleum Complex Fundamentals

Speaking of relief rallies, oil prices are experiencing one this morning, after an epic rout on Friday that came on the heels of an epic month-long sell-off, where prices have fallen by a third. This morning's rally comes despite reports that Saudi production has risen to over 11 million bpd, a new record for the kingdom. Of course, the output surge came in response to expected sanctions on Iran's oil output, which failed to materialize. OPEC and Russia are going to have to react to the price fall. Still, we would not rush into buy this market, just yet.

Technical Analysis: WTI Crude Oil

Prices plunged on Friday, installing another large daily price bar. Given the holiday overhang, volume was limited, which works against calling the session as a blow-of bottom. The price action to start the week also works against calling a bottom, as well, as a another new low for the move was made in overnight trading. The large daily price bar should be subject to some retracement, which we are getting this morning. At this point, the chart remains very bearish, and we would not play for much of a bounce back higher.

Natural Gas Fundamentals

The price fever may have broken, with prices sinking back toward \$4.00, despite a strengthened demand outlook for the early part of next month. Prices are not getting support from that, and they did not get much support from last week's storage report, either, even though it was supportive. We now know that some of the recent histrionics was due to some spectacular forced liquidation. We remain bullish on prices, longer-term, but you may want to play for some near-term downside.

Technical Analysis: Natural Gas

Prices continue to trade in a wide-range between, roughly, \$3.90 and nearly \$4.90. The range has been scaled up and down several times with many large daily price bars from the wide daily ranges. It has made short-term trading perilous. Prices appear to be readying a test of support at \$4.00, eyeing a potential move back down to the \$3.50 area. The chart remains a difficult read, but the bears appear to have attained the upper hand, for now. Still, play small, if at all.