

Analyst: SUI Xiaoying  
License No.: F0284756, Z0010956  
Email: gjywb@founder-sc.com

# Crude Oil Futures Weekly Report

(Near Term: Bullish)

SUI Xiaoying, Research Team of Founder CIFCO Futures

## Market Review and Trading Advice:

Global oil price bounced back during May day, a traditional Chinese festival. EIA inventory report shows that as of April 24<sup>th</sup>2020, US crude oil inventory increased 8.99m barrels, a fourteen-week growth, and petrol decreased 3.67m barrels, distillate increased 5.09m barrels. US strategic crude oil reserve began to increase, which means that the government is purchasing oil from the market. Refineries’ operation rate is 69.6%, 2 percentages up than previous week. Meanwhile, recent inventory data from API reveals that US oil inventory added 8.44m barrels, petrol decreased 2.24m barrels, and refineries increased 6.14m barrels. As of the week before May 1<sup>st</sup>, US drilling wells was 325 units, -53 units than previous week and -482 units compared with last year. OPEC and non-OPEC countries may begin the agreed production cut since May 1<sup>st</sup>. In addition, titan crude oil companies declared to cut production as well. Overall, there may be signs of improving in terms of US inventory data, but the continuity is not for sure. The production cut since May would have some improvement on fundamental side. INE SC may recoil to fill the gap and we suggest trading short term.

## I. Market Data

Futures Market	Contract	Open (RMB)	Close (RMB)	Settlement (RMB)	Change (RMB)	Change (%)	Trading volume (10k lots)	Open interests (10k lots)	Price chart
	SC Crude dominant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Contract	Open (USD)	Close (USD)	Settlement (USD)	Change (USD)	Change (%)	Trading volume	Open interests	Price chart
	WTI Crude dominant	23.56	27.16	26.49	4.38	19.23	37.94	37.99	
	Brent Crude dominant	28.10	31.98	30.97	4.78	17.57	26.71	43.18	
		2020/4/24	2020/4/17	迷你图			2020/5/5	2020/5/4	迷你图
Key Indicators	U.S. crude inventory (1k bbl)	527631	518640		Basis	SC1-2	-14.10	-10.50	
	U.S. petroleum inventory (1k bbl)	259565	263234			WTI1-2	-1.93	-2.39	
	U.S. distillate inventory (1k bbl)	141972	136880			Brent1-2	-0.94	-1.48	
	U.S. Cushing inventory (1k bbl)	63378	59741			Brent-WTI	4.48	4.48	
	Operation rate of U.S. refinery	68	69			Brent-SC	-4.66	-4.73	
	U.S. crude oil output (1k bpd)	12100	12200			NYMEX RBOB crack spread	11.36	11.72	
	U.S. crude oil export volume (1k bpd)	3302	2890			NYMEX-Heating oil crack spread	11.14	10.95	
	U.S. active rig count	325	378			ICE-Diesel crack spread	3.49	3.85	

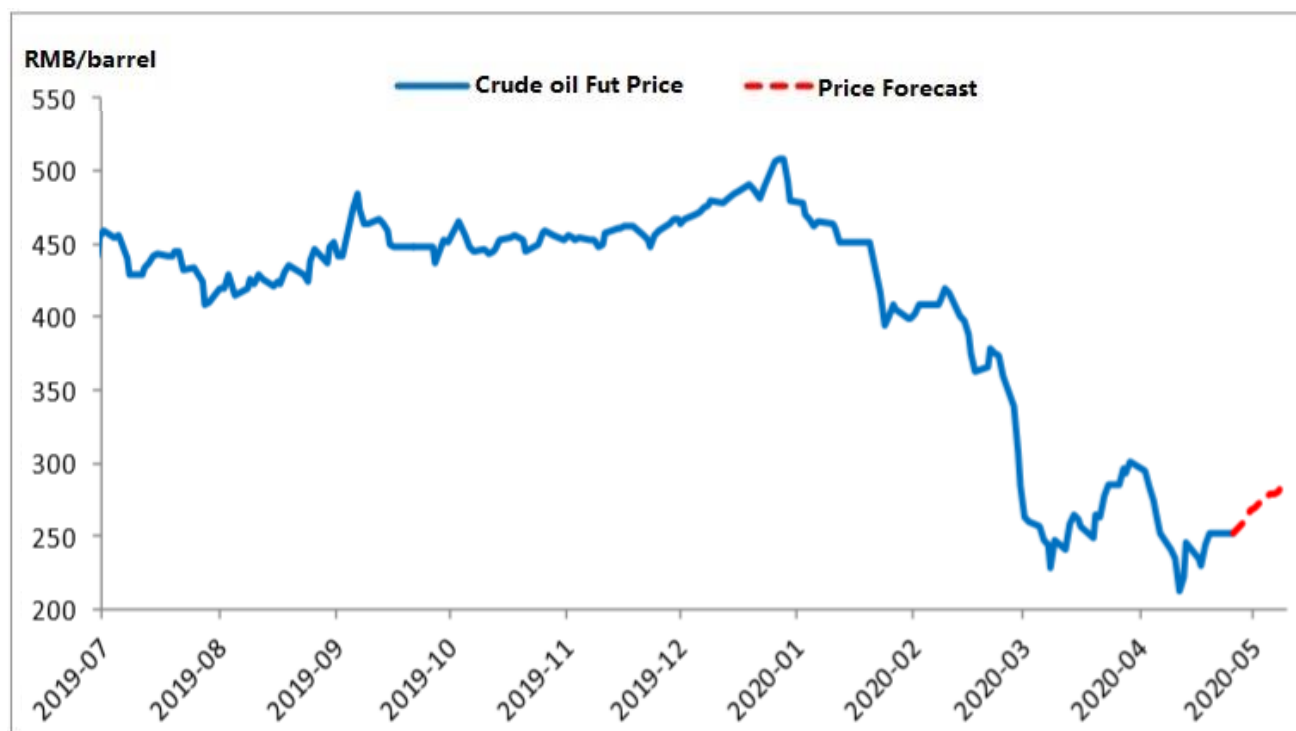


Chart: Crude oil futures price and forecast

Source: Wind, Research Team of Founder CIFCO Futures

## II. Fundamentals of Crude Oil Market

As of the week before May 1<sup>st</sup>, US drilling wells was 325 units, -53 units than previous week and -482 units compared with last year. OPEC and non-OPEC countries may begin the agreed production cut since May 1<sup>st</sup>.

In terms of inventory, EIA inventory report showed that the U.S. crude oil inventory was 527,631k barrels by April 17<sup>th</sup>, up 8991k barrels compared with last week. U.S. petroleum inventory was 259,565k barrels, down -3669k barrels. U.S. distillate inventory was 141,972k barrels, up 5092k barrels.

Calendar spread of Brent and WTI went low. As of last Friday, WTI c11-cl2 was 15 USD per barrel and Brent spread c11-cl2 was 11 USD per barrel.

US and Europe petrol price fell back compared with last month. As of last Friday, the U.S. gasoline crack spread reduced to 11.36 USD per barrel, diesel to 11.14USD per barrel. Europe diesel crack spread dropped to 3.49USD per barrel.

## III. Market Data Chart

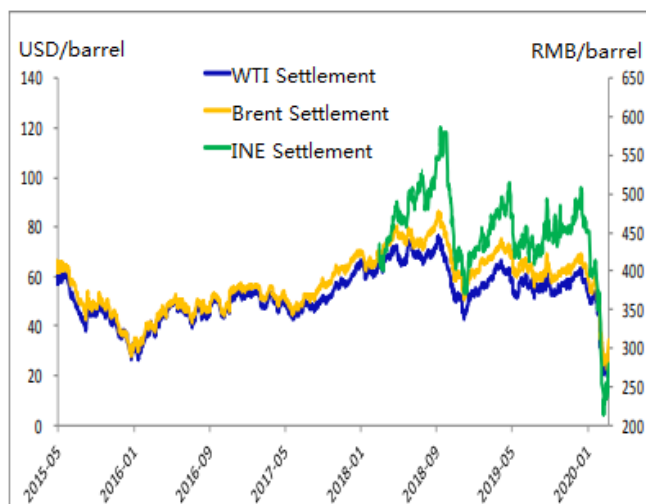


Chart I. Price trend of three benchmark crude

Source: Wind, Research Team of Founder CIFCO Futures

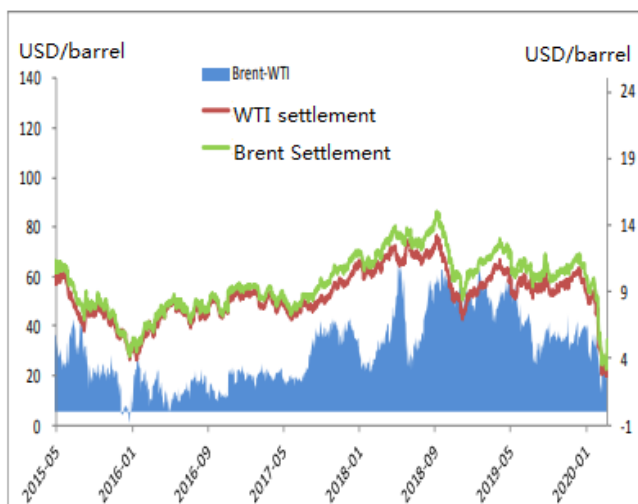


Chart II. Price trend and spread of WTI crude and Brent crude

Source: Wind, Research Team of Founder CIFCO Futures

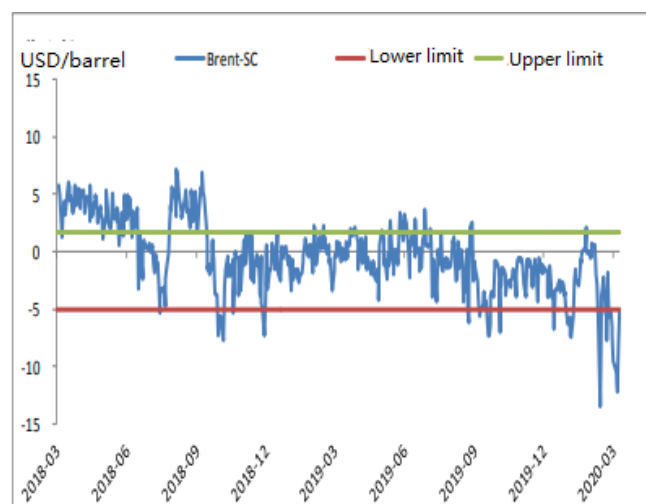


Chart III. Spread of Brent crude and SC crude

Source: Wind, Research Team of Founder CIFCO Futures

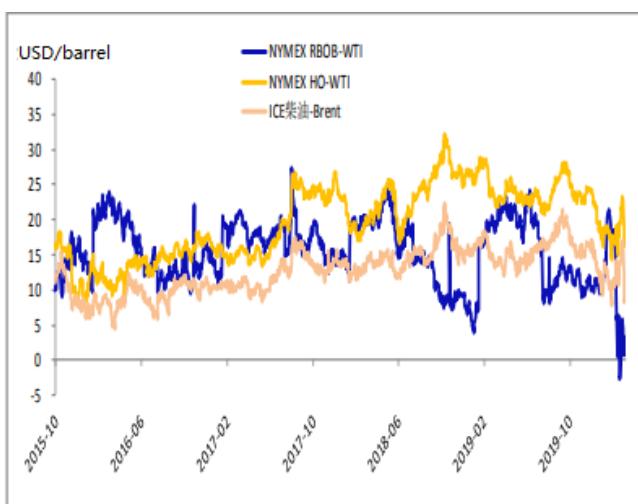


Chart IV. Crack spread of WTI and Brent

Source: Wind, Research Team of Founder CIFCO Futures

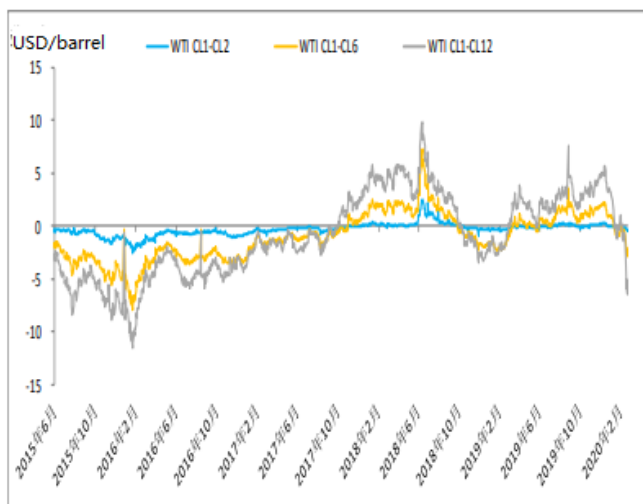


Chart V. Spread of WTI crude in different months

Source: Wind, Research Team of Founder CIFCO Futures

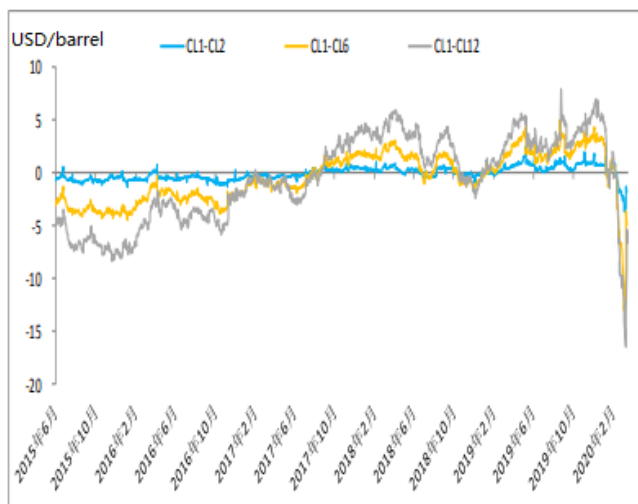


Chart VI. Spread of Brent crude in different months

Source: Wind, Research Team of Founder CIFCO Futures

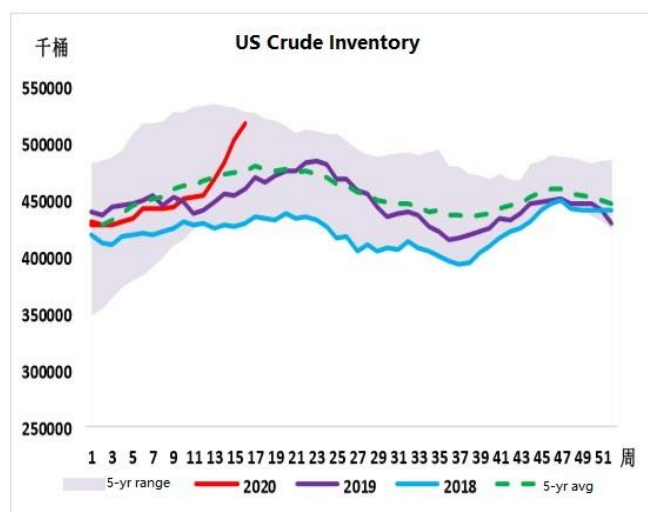


Chart VII. U.S. crude oil inventory

Source: Wind, Research Team of Founder CIFCO Futures

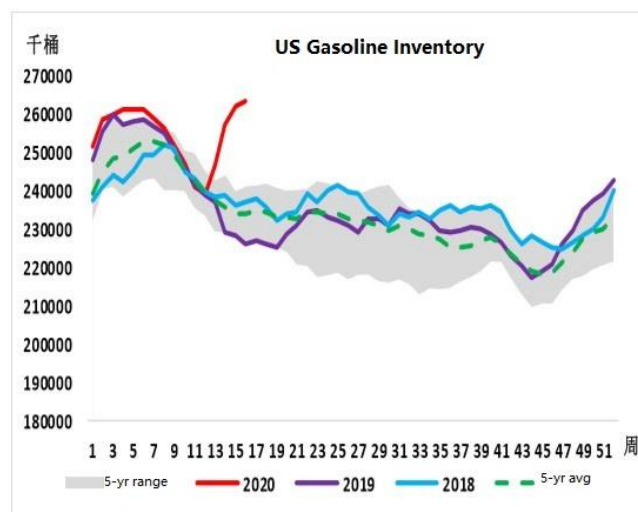


Chart VIII. U.S. petroleum inventory

Source: Wind, Research Team of Founder CIFCO Futures

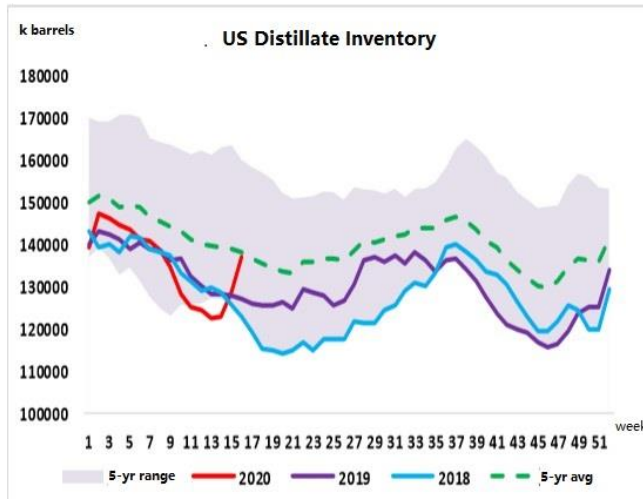


Chart IX. U.S. distillate inventory

Source: Wind, Research Team of Founder CIFCO Futures

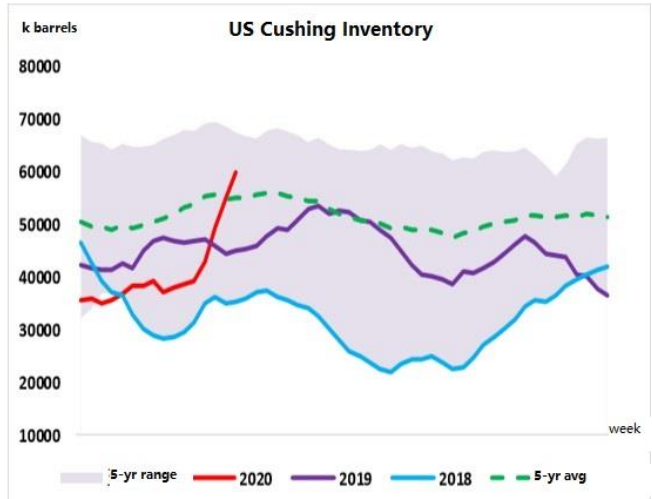


Chart X. U.S. crude oil inventory in Cushing

Source: Wind, Research Team of Founder CIFCO Futures

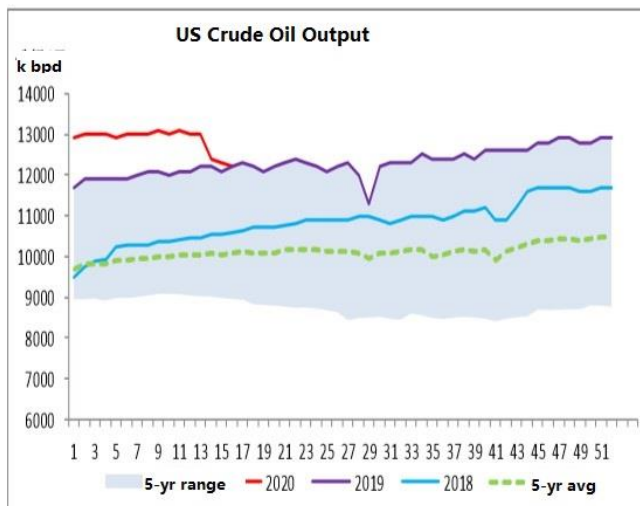


Chart XI. U.S. crude oil output

Source: Wind, Research Team of Founder CIFCO Futures

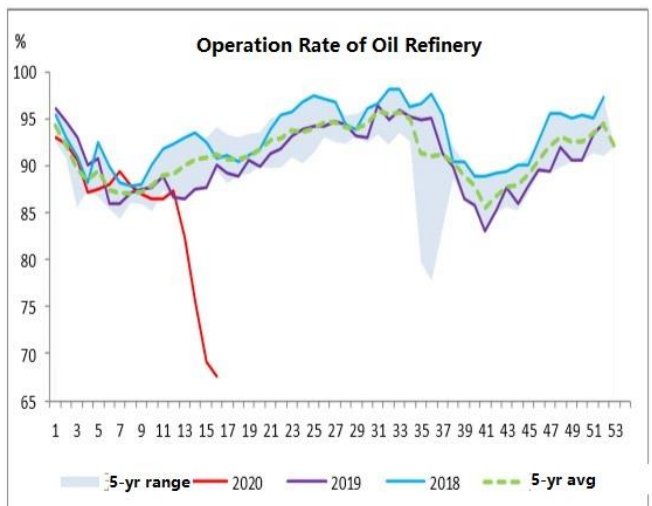


Chart XII. Operating rate of U.S. oil refineries

Source: Wind, Research Team of Founder CIFCO Futures

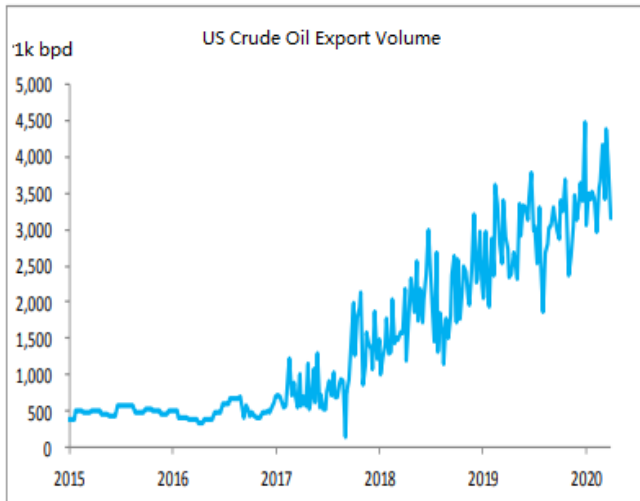


Chart XIII. U.S. crude oil export volume

Source: Wind, Research Team of Founder CIFCO Futures

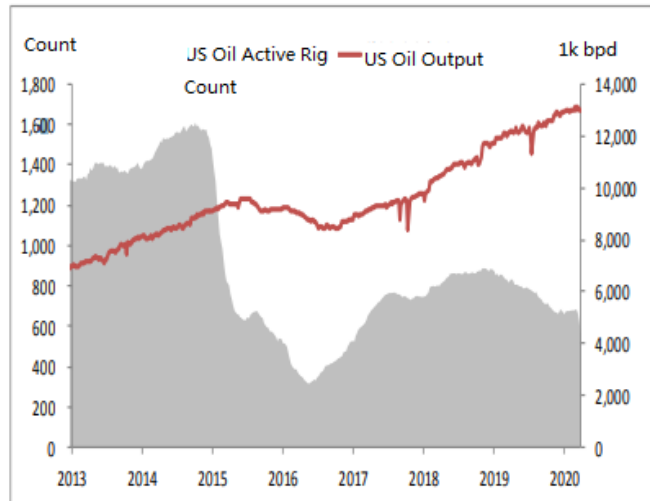


Chart XIV. U.S. oil active rig count

Source: Wind, Research Team of Founder CIFCO Futures

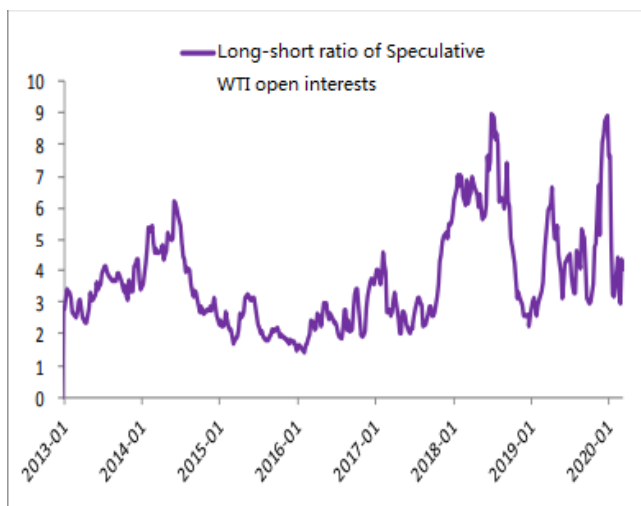


Chart XV. Long-short ratio of WTI position holding

Source: Wind, Research Team of Founder CIFCO Futures

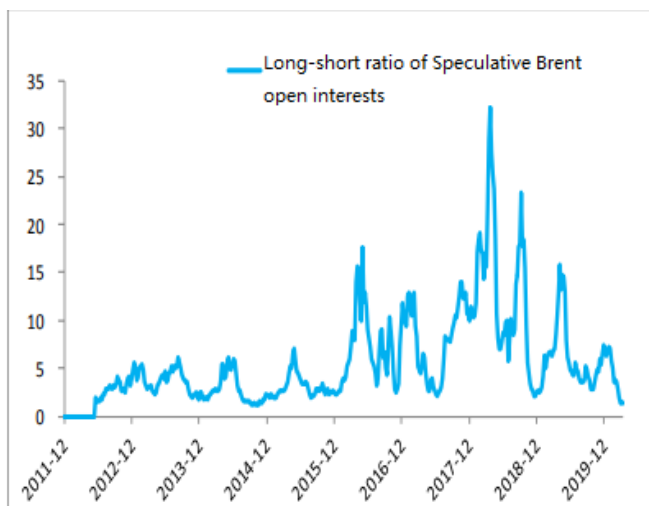


Chart XVI. Long-short ratio of Brent position holding

Source: Wind, Research Team of Founder CIFCO Future

行方正 以致远

FIND FOUNDER, FIND FUTURES

---

**Disclaimer:**

All information contained in the report are public materials and is for your reference only. Research Team of Founder CIFCO Futures strives to be accurate and reliable yet it doesn't guarantee the correctness and completeness of the information contained within the report. The report doesn't constitute to be investment advice on buy or sell of any products mentioned in the report under any circumstances and it doesn't take account of special investment purposes, financial status and requirements of certain investors. The report shall not be disseminated to others without prior consent from the Research Team of Founder CIFCO Futures. Any quotation, repost or other dissemination to third-party may be subject to legal obligation. Founder CIFCO Futures doesn't bear any loss resulted from conducting the report and we kindly remind investors of the possible risks during trade. Copyright reserved by Founder CIFCO Futures.

---

**Contact information:**

International Business Dept.

Founder Cifco Futures Co., Ltd.

Tel: +86 10 85881336

Fax: +86 10 85881177

E-mail: [gjywb@foundersc.com](mailto:gjywb@foundersc.com)

Website: [www.founderfu.com/en](http://www.founderfu.com/en)

22/F Taikang Financial Tower, Building1, 38# East 3rd Ring North Road, Chaoyang District, Beijing, P. R. China  
100026

---