



Discover the Pattern, Anticipate the Future

We would be happy to discuss this commentary with you and provide additional market insights. Feel free to call us at +1 859-687-2748 or email us at [rachel.poole@fundamentalanalytics.com](mailto:rachel.poole@fundamentalanalytics.com)

The comments below reflect updates and commentaries that we send regularly to our subscriber lists. Because some time may have now passed since the original release of this content, it should not be regarded as up-to-date market commentary. If you wish to receive this type of analysis in a timely fashion, subscribe to our weekly commentaries by contacting us at the phone number or email above.

## Monthly Newsletter: November 2019

By Joel Fingerman and Rachel Poole

Greetings!

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### Fundamentals

#### Weekly Commentary

Fundamental Analytics offers timely weekly commentaries tied to reporting from the DOE, as well as weekly reports on crude oil and natural gas. We also offer a weekly commodity market update highlighting development in agricultural and energy markets. If you are interested in receiving any or all of these updates, please let us know.

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To see what the FA platform can do for you [sign up](#) for a webinar and free trial on our website or contact one of our team members.

#### Benefits of FA:

- Easy to use, web-based and menu driven platform.
- Extensive history of data.
- Superior graphing capabilities
- Competitively priced.

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## Crude Oil Stocks Build, Much Greater than Expectations

The DOE reported Total Crude Oil Inventories increased by 7.9 million barrels to 446.8 million barrels for the week ending November 1, 2019, while the expectations average was for a 1.5 million barrel build.

Total hydrocarbon supplies increased by 3.9 million barrels to 1,279 million barrels.

Crude Oil Production was unchanged at 12.6 million barrels per day.

Total Crude Imports decreased by 600,000 barrels per day to 6.1 million barrels per day.

Total Crude Exports decreased by a significant 956,000 barrels per day to 2.4 million barrels per day.

Total Refinery Crude Runs were down 200,000 barrels per day at 15.8 million barrels per day.

The DOE report was bearish for crude oil prices and prices fell throughout the trading day after the report was released. The large drop in crude exports was a major factor in the crude stocks increase. Prices may be supported by reports that US and China may be close to reaching an agreement to partially roll back some tariffs as part of the Phase One trade deal currently under negotiation. However global oversupply concerns are still weighing on the market.

Chart 1

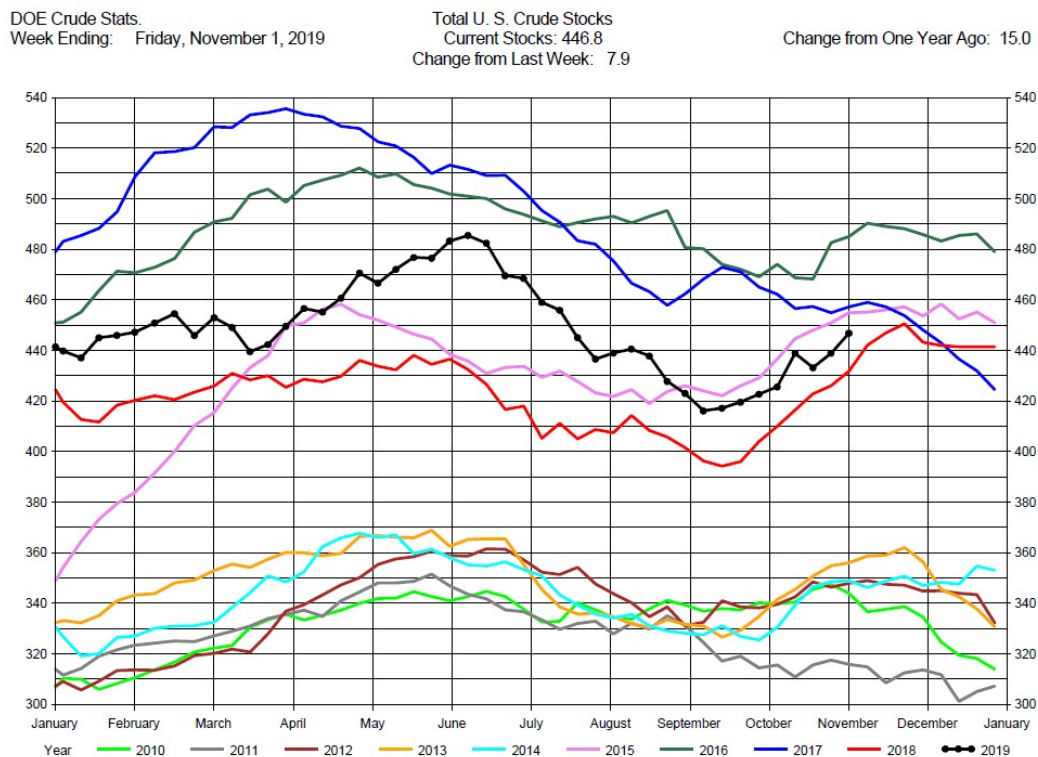


Chart 2

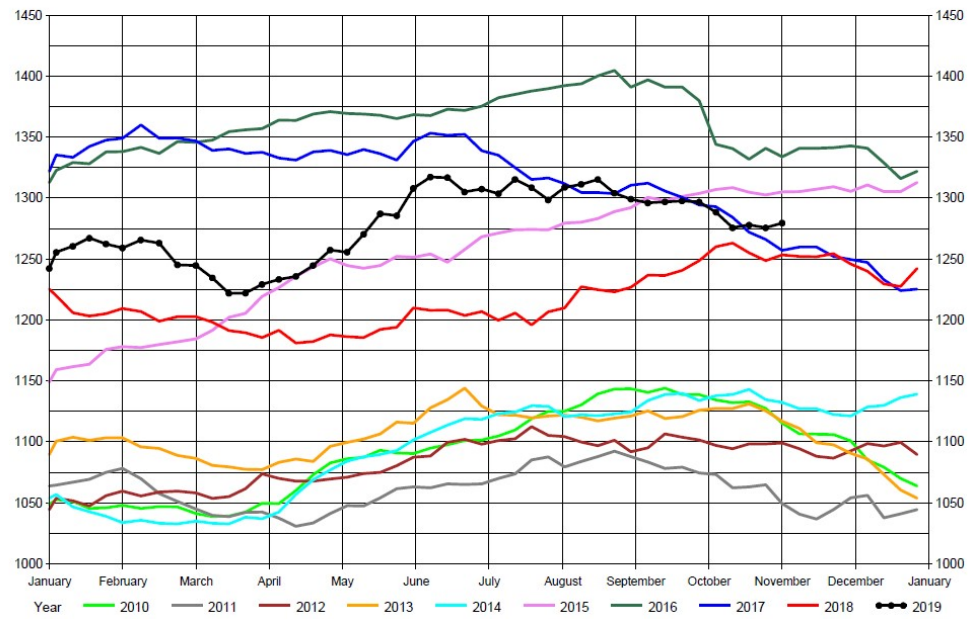
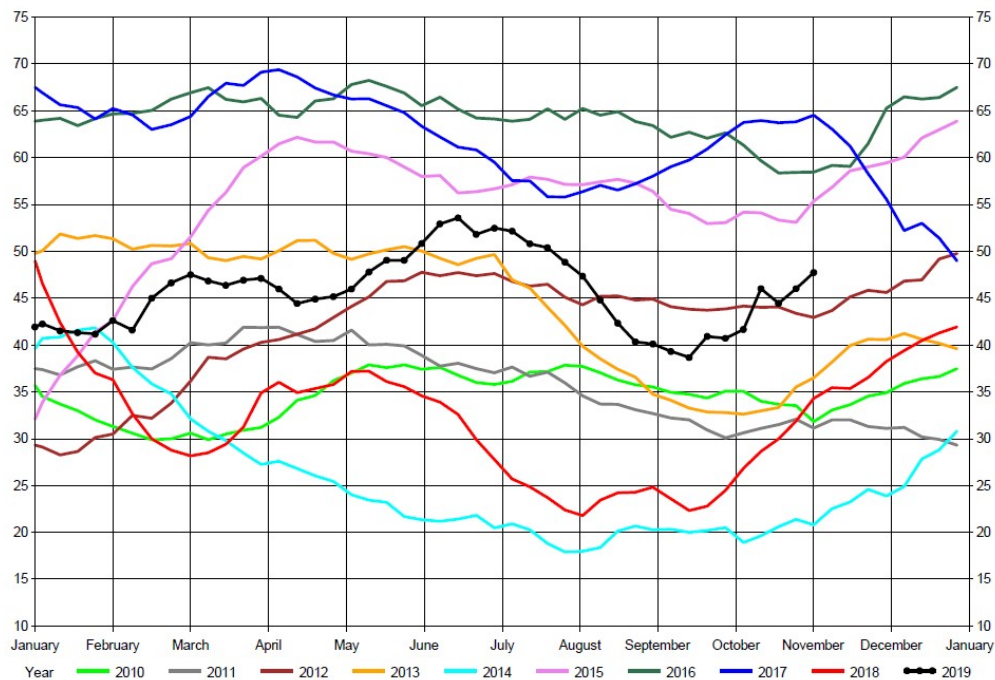


Chart 3



*This is only a sample of the full DOE Insights report Joel publishes weekly. Each weekly report also includes a summary of data reported on Gasoline stocks and Distillates stocks.*

## EIA Insights

### Injection Slightly Less than Expectations

The EIA reported an 89 Bcf storage injection for the week ending October 25, 2019. The injection was near the record high for this week of the year but slightly less than the average of expectations, 91 Bcf. Storage at 3,695 Bcf is 552 Bcf above inventories for this time last year and 52 Bcf above the five-year average.

Prices began falling about an hour after the report was released. This may have been more of a price correction after 5 consecutive trading days of a price rally than bearish

data. With storage now at a relatively high level for the end of the injection season, higher prices will be dependent on sustained below average temperatures.

Chart 1

### EIA Weekly Natural Gas Storage Data Report

As of Friday, October 25, 2019

	Bcf in Storage	Week Change	Last Week Storage	Week Change	Last Year Storage
East Region	913	15	898	18	826
Midwest Region	1,095	26	1,069	25	956
Mountain Region	211	3	208	3	180
Pacific Region	298	1	297	1	262
South Region	1,178	44	1,134	41	919
U. S. Total Storage	3,695	89	3,606	87	3,143

Chart 2

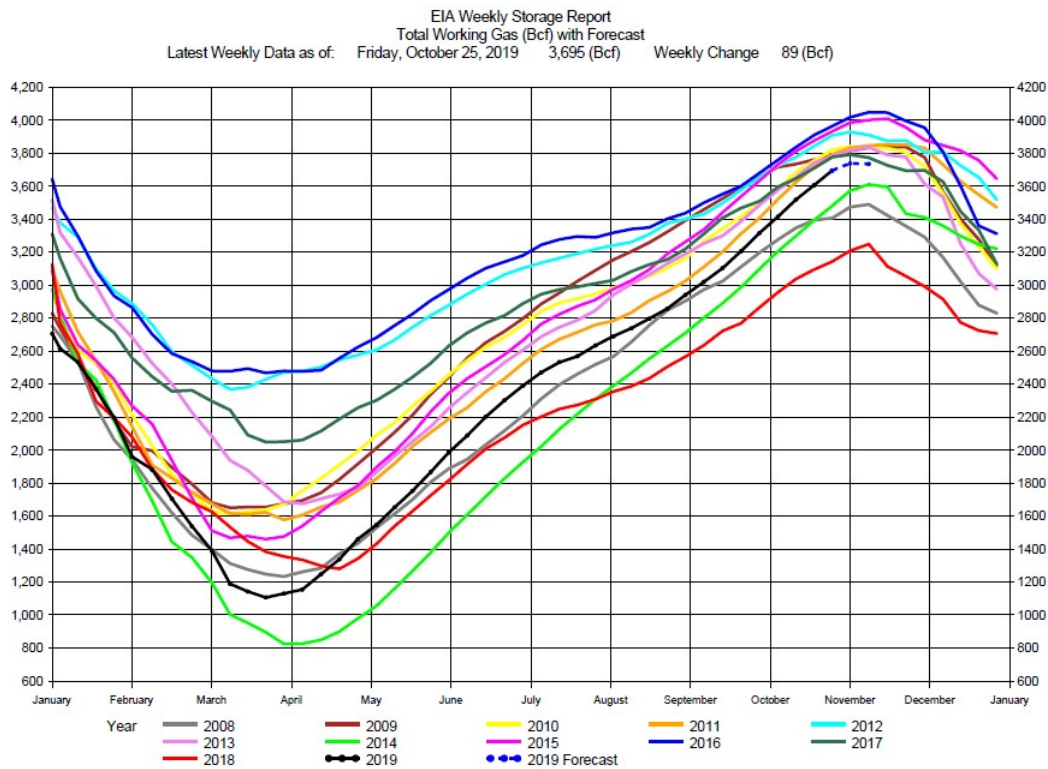


Chart 3



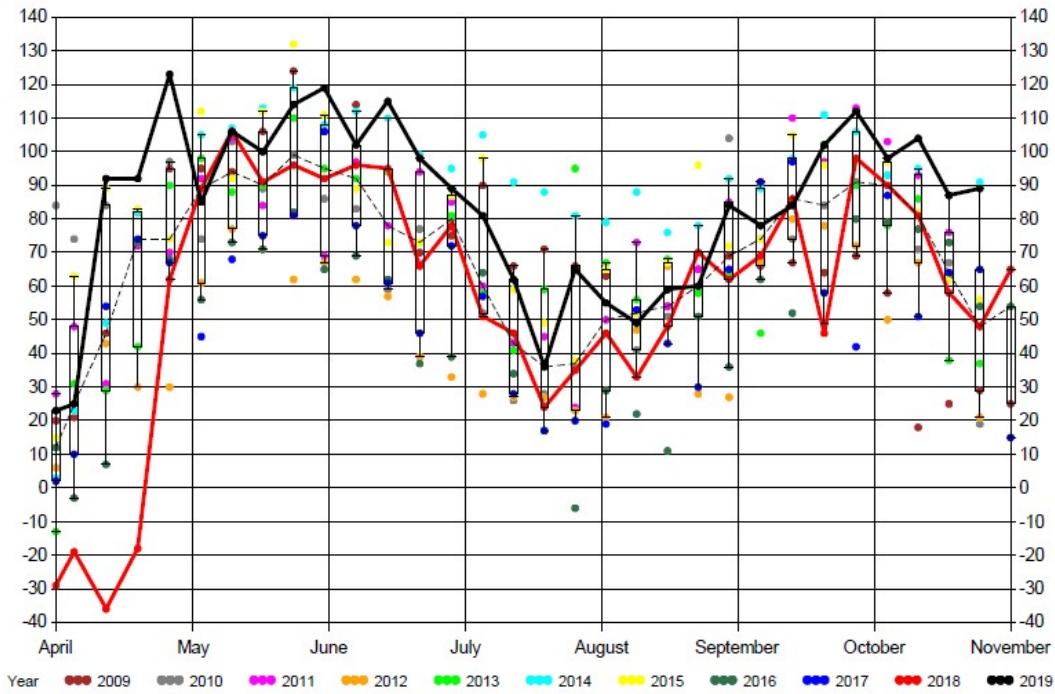
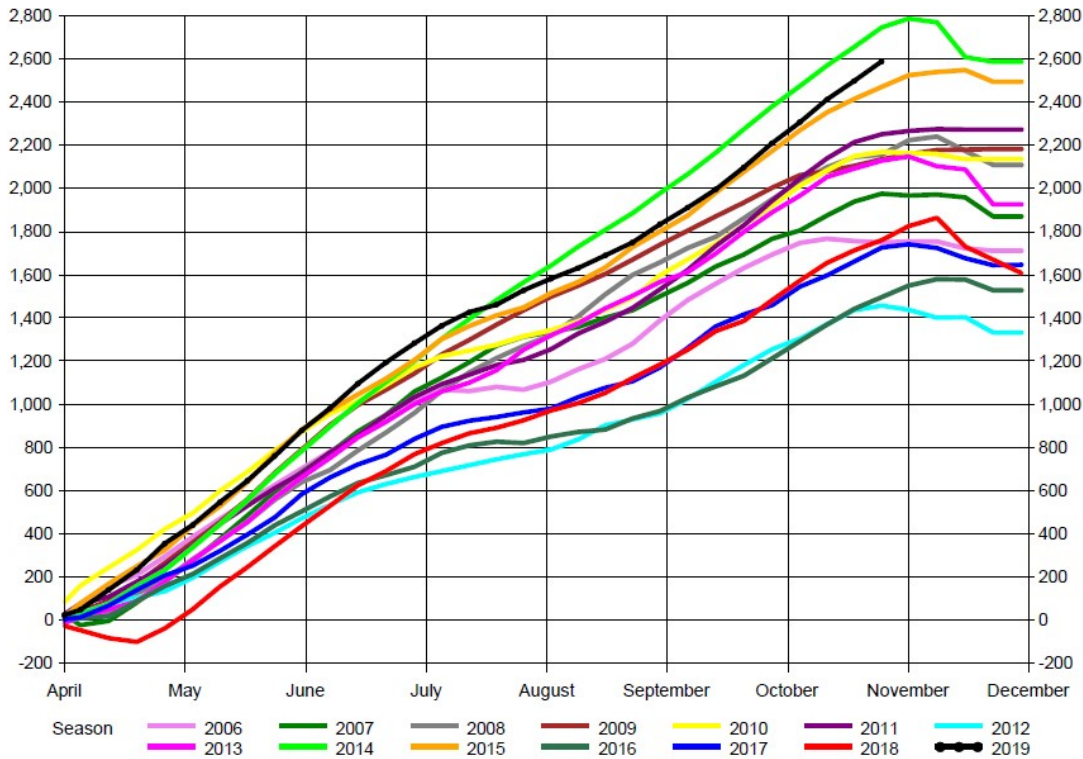


Chart 4

Summer Season Storage Cumulative Injection (BCF)

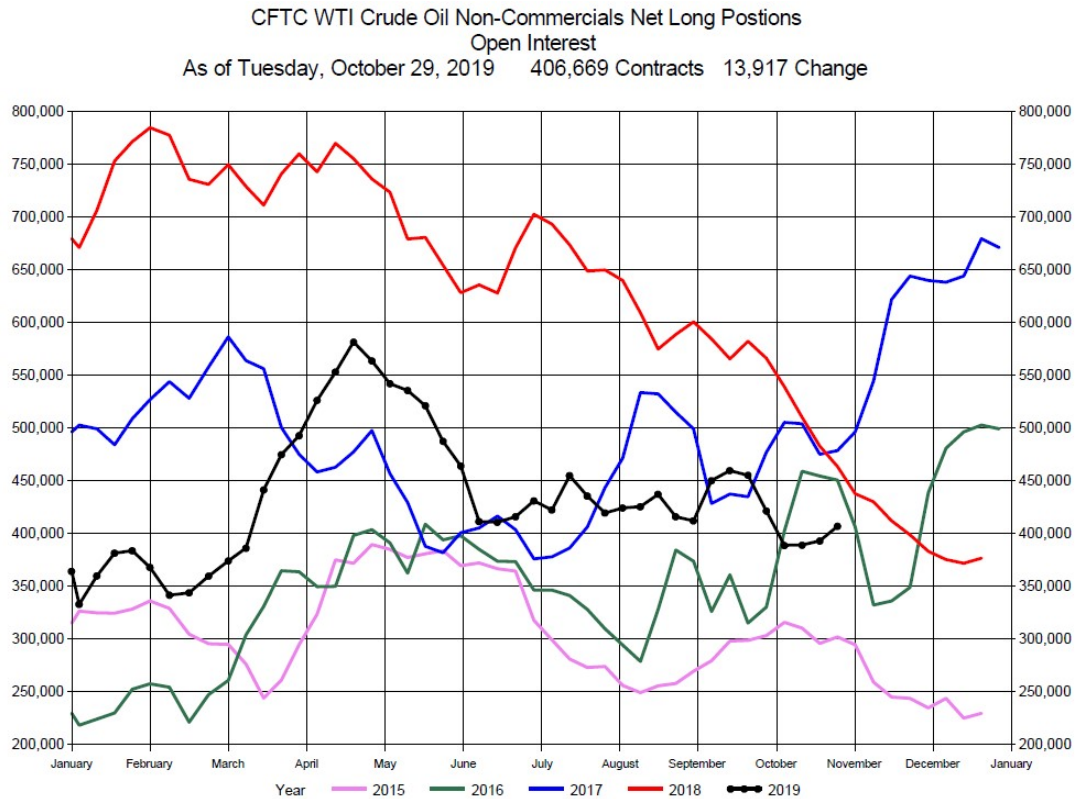


**Latest CFTC Report**

The CFTC Commitment of Traders Report as of Tuesday, October 29, 2019 shows the Non-Commercials Net Long Positions in WTI Crude Oil increased during the week by 13,917 contracts to 406,669 contracts. 4,718 Long positions were established, and 9,199 Short positions were covered.

Last Wednesday's price rise was a major part of a price rally which may account for the large number of short positions being covered, causing the net long positions to increase.

## Chart 1



## Commodity Market Update - October 15th

The latest WASDE report was bearish for corn and soybean prices, and prices did decrease after report was released. However, prices then rallied because of freezing temperatures and snow maps as well as concerns about the progress of the U.S. – China trade negotiations.

The Supply and Demand report showed corn production at 13.779 billion bushels (Chart 1) while expectations were for 13.684 billion bushels with a yield of 168.4 bushels per acre (Chart 2), expecting 167.5 bushels per acre. Total corn ending stocks were seen at 1.929 billion bushels (Chart 3) while expectations were for 1.784 billion bushels.

Soybean production was at 3.550 billion bushels (Chart 4) while expectations were for .583 billion bushels with a yield of 46.9 bushels per acre (Chart 5), expecting 47.3 bushels per acre. Total soybeans ending stocks were at .460 billion bushels (Chart 6) while expectations were for .521 billion bushels.

## Chart 1

US Corn Production (Billion Bushels)  
Latest WASDE Report October 2019

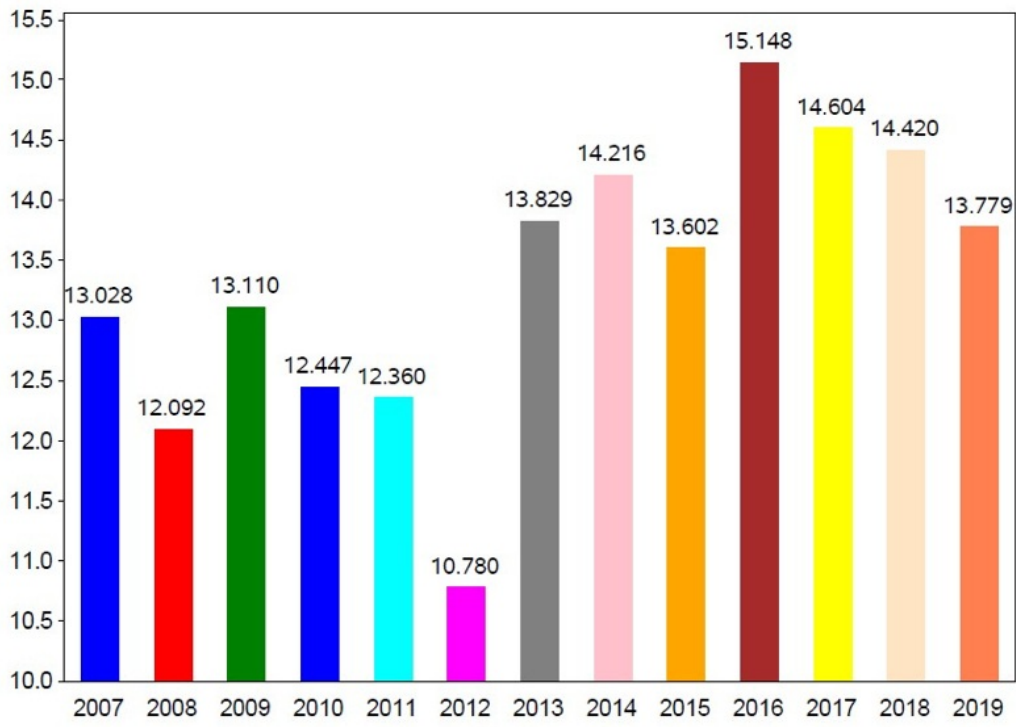


Chart 2

US Corn Yield (Bushels/Acre)  
Latest WASDE Report October 2019

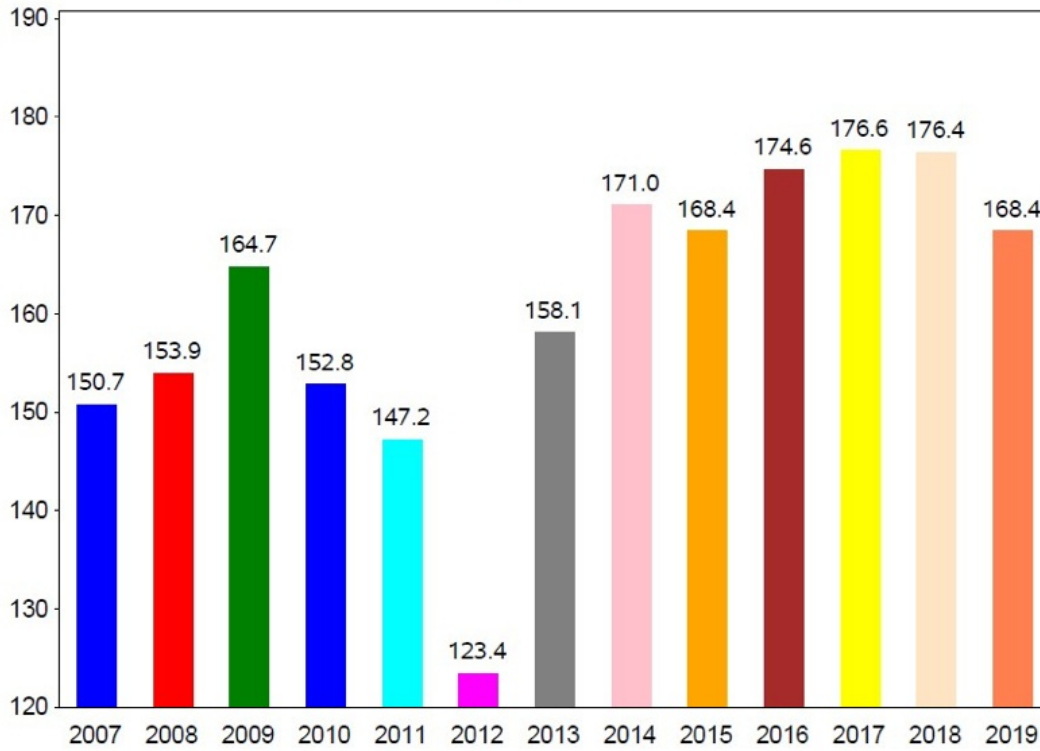


Chart 3

US Corn Ending Stocks (Billion Bushels)  
Latest WASDE Report October 2019

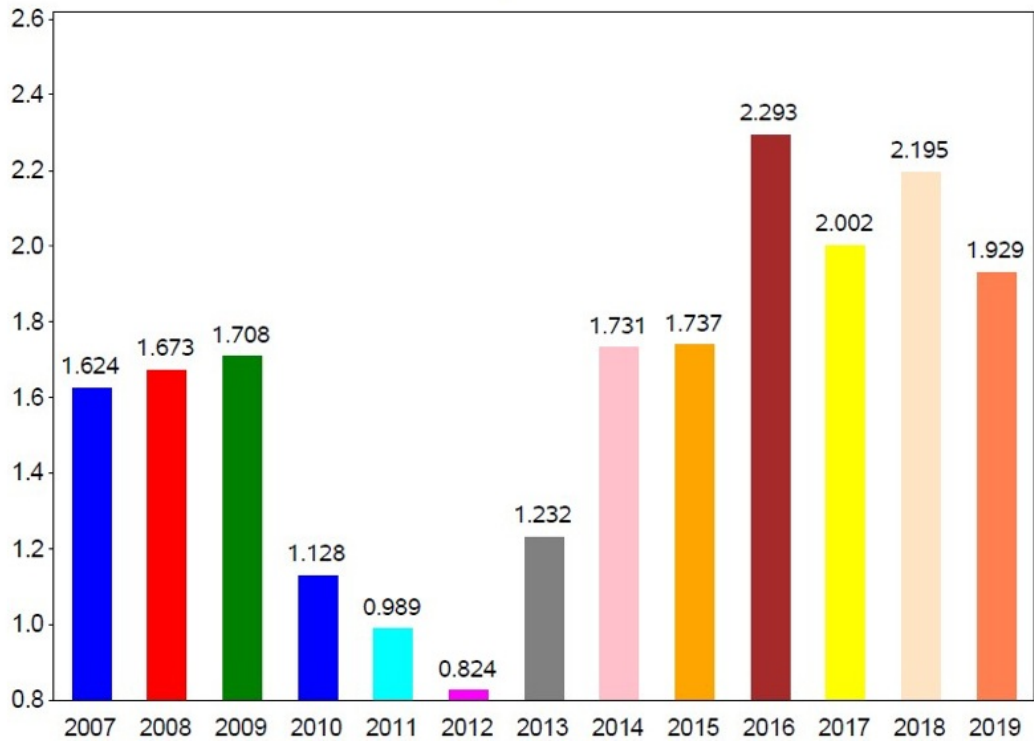


Chart 4

US Soybeans Production (Million Bushels)  
Latest WASDE Report October 2019

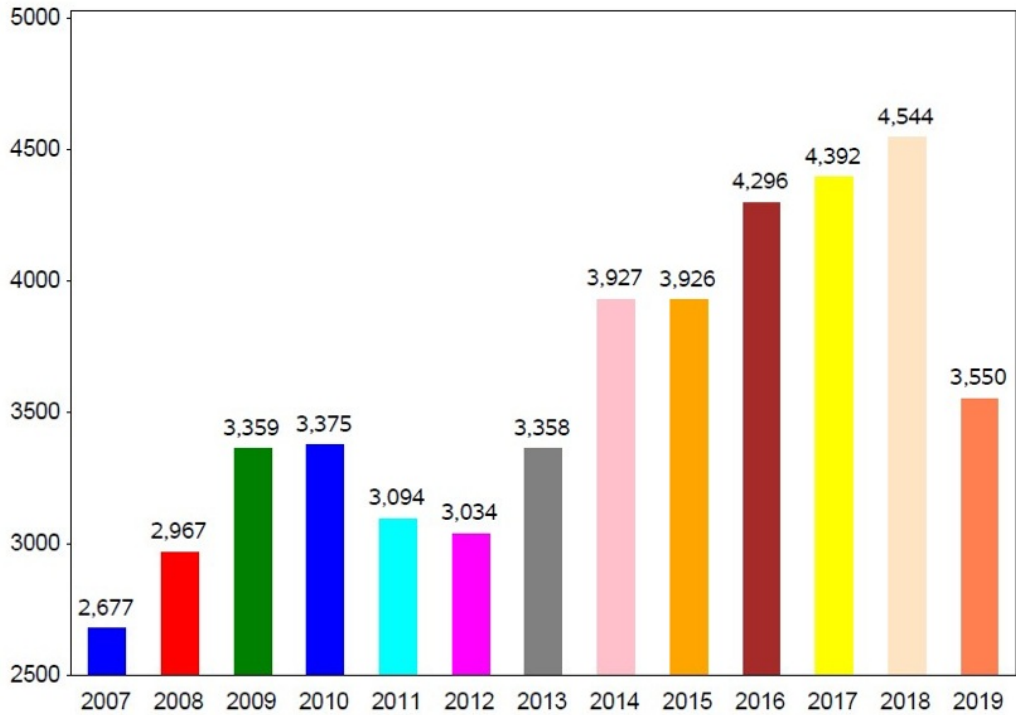


Chart 5



### US Soybeans Yield (Bushels/Acre) Latest WASDE Report October 2019

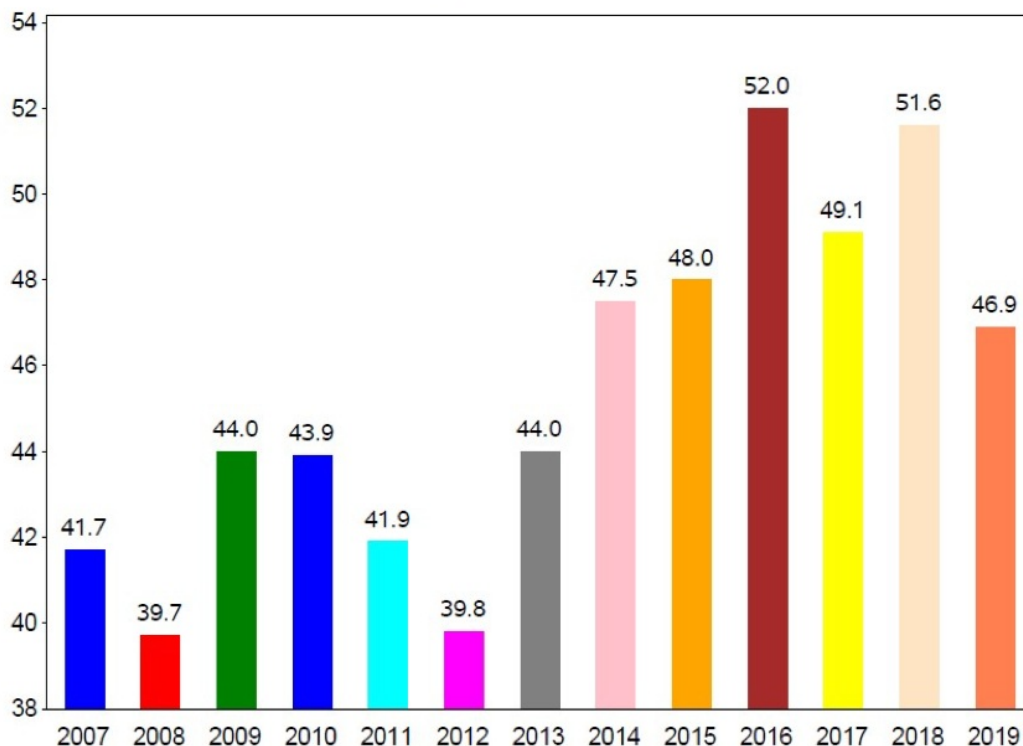
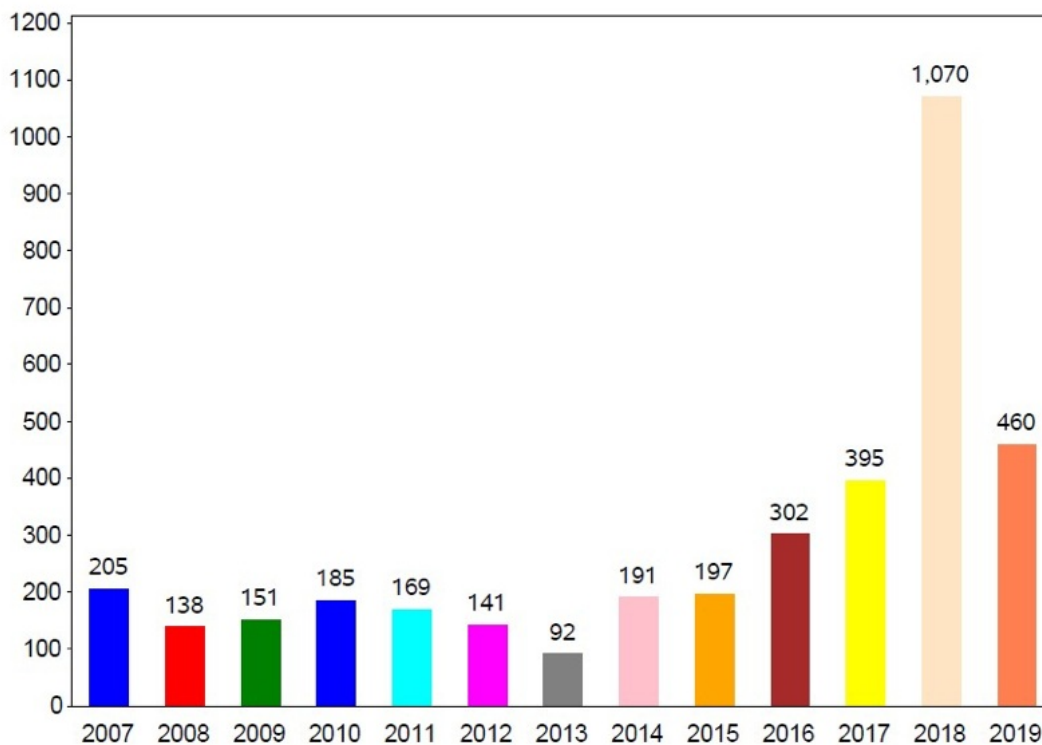


Chart 6

### US Soybeans Ending Stocks (Million Bushels) Latest WASDE Report October 2019



## Platform Potential

The commodity market research platform offered by Fundamental Analytics is intuitive and easy to use. The year-on-year default visualizations of certain pricing and fundamental data along with the ability to easily create spreads charts offer a superb tool for analyzing relevant data. Research done by our team in September exemplifies how combined analysis of pricing, spreads, and fundamental data can offer meaningful

market insights.

## What to Watch in the Upcoming Weeks

Below are a few things to watch in early/mid-November of 2019. These factors are likely to impact energy and agricultural markets.

- US-China trade war developments as hopes for a trade deal are high.
- The impact of the unseasonably cold weather on natural gas prices.
- The potential impact of the expected Saudi Aramco IPO on crude oil prices.
- Crude oil prices rallied through most of October. Prices may now range trade in November.

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Regards,  
The Fundamental Analytics Team