

UNITED ENERGY CRUDE Movers

a division of ICAP Futures LLC International Crude Oil Derivatives Daily Briefing

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Yesterday—December 13, 2011—Between Iran’s “practice” announcement that it was closing the straight of Hormuz, to the OPEC meeting’s leaks and statements that a new cross member sum total quota of 30 mbpd, the WTI market saw a run up, low to high, of \$3.71, a fairly volatile move to the Bulls. On the latter point, considering that OPEC’s Jan 1 target is a little over 24 mbpd, this should have been Bearish, but somehow this was lost in Iranian and Venezuelan chatter. My view on the Iranian situation is that the more isolated the world makes Iran, the more prone it is to lash out in unpredictable ways, like a cornered animal. This recent action likely portends worse things to come. Merkel’s

refusal to lift the EU bailout fund hit the EUR hard, and was the greatest contributor to the lift in crude. The Fed’s release was essentially a non-event.

Market call today—The big economic release will be the EU’s Industrial Production stats which is forecast to be 0.1% below prior. This could hit the EUR and lift the crudes higher.

This has also been the slight trend. Bullish the Crudes with Brent leading the lift. WTI target 101.50, Brent Target 111.50 for session highs.

13-Dec-11 Settlements

Contract	NYMEX CL	ICE Brent	Spread Daily Settle	Δ from Prior Settle
F2	100.14	109.50	-9.36	0.13
G2	100.32	109.08	-8.76	0.33
H2	100.48	108.79	-8.31	0.40
J2	100.65	108.59	-7.94	0.43
K2	100.72	108.38	-7.66	0.39
M2	100.60	108.16	-7.56	0.34
N2	100.36	107.92	-7.56	0.28
Q2	100.07	107.63	-7.56	0.25
U2	99.77	107.27	-7.50	0.22
V2	99.50	106.94	-7.44	0.20
X2	99.29	106.63	-7.34	0.19
Z2	99.07	106.28	-7.21	0.18
M3	97.02	103.88	-6.86	0.14
Z3	95.38	101.68	-6.30	(0.04)
Z4	93.56	99.53	-5.35	(0.35)
Z5	92.39	97.74	-3.70	(0.49)
Z6	91.75	96.23	-1.91	(0.54)
Z7	91.36	95.06	-0.99	(0.60)
Z8	91.18	94.00	-0.45	(0.60)



12/14/11 DOE Release Expectations For Week Ending 12/9/11

Crude	MM Bbls	Type	Survey
5 Wk. Hi	5.268	Build	Empirical
API	0.462	Build	Survey
5 Wk. Average	-0.310	Draw	Empirical
Dow Jones	-2.100	Draw	Survey
Bloomberg Median	-2.500	Draw	Survey
ICAP Forecast	-2.500	Draw	Model
5 Wk. Low	-6.218	Draw	Empirical
Gasoline			
MM Bbls			
5 Wk. Hi	5.360	Build	Empirical
5 Wk. Average	2.015	Build	Empirical
ICAP Forecast	1.500	Build	Model
Dow Jones	1.500	Build	Survey
Bloomberg Median	1.200	Build	Survey
API	-0.012	Draw	Survey
5 Wk. Low	-2.107	Draw	Empirical
Distillate			
MM Bbls			
5 Wk. Hi	8.059	Build	Survey
ICAP Forecast	1.800	Build	Model
API	1.236	Increase	Survey
Bloomberg Median	1.000	Build	Survey
Dow Jones	0.700	Build	Survey
5 Wk. Average	-0.888	Draw	Empirical
5 Wk. Low	-6.020	Draw	Empirical
Refinery Utilization			
%			
5 Wk. Hi	2.20%	Increase	Empirical
ICAP Forecast	1.50%	Increase	Model
5 Wk. Average	0.58%	Increase	Empirical
Bloomberg Median	0.55%	Increase	Survey
Dow Jones	-1.00%	Decrease	Survey
API	-2.00%	Decrease	Survey
5 Wk. Low	-2.70%	Decrease	Empirical
Total Primary Stocks			
MM Bbls			
5 Wk. Hi	18.687	Build	Empirical
API	1.686	Build	Survey
5 Wk. Average	0.817	Build	Empirical
ICAP Forecast	0.800	Build	Model
Dow Jones	0.100	Build	Survey
Bloomberg Median	-0.300	Draw	Survey
5 Wk. Low	-14.345	Draw	Empirical

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