



بنك الإمارات دبي الوطني
Emirates NBD

Commodities

27 February 2017

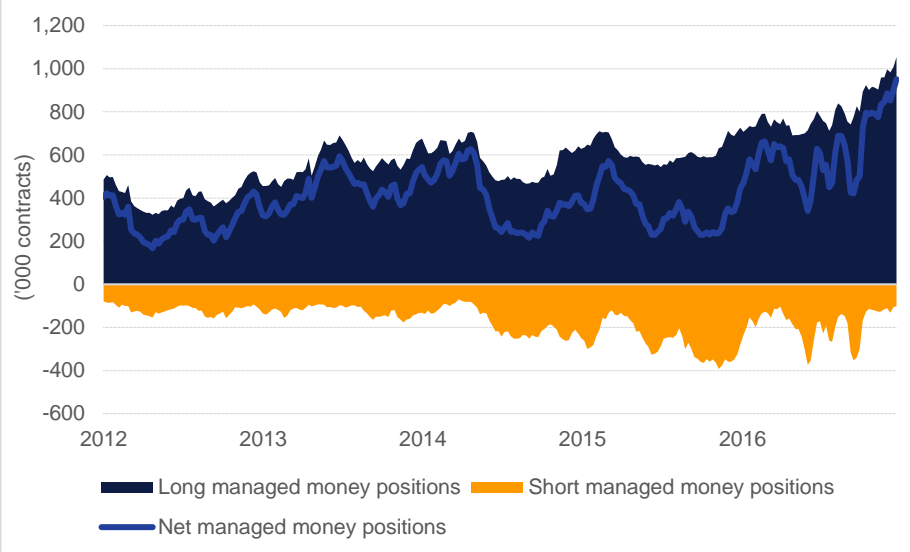
Crude oil position monitor

Crude oil futures and options net positions: February 21 2017

	Long	Short	Net	Weekly change
Brent MM	552.73	(45.13)	507.61	26.21
Brent PM	646.92	(1,437.04)	(790.12)	42.13
WTI MM	453.03	(39.39)	413.64	23.30
WTI PM	411.33	(702.59)	(291.25)	(12.40)

Source: Bloomberg, Emirates NBD Research. Note: '000 of futures and options contracts. MM – managed money. PM – producer/merchant.

Total crude oil managed money positions



Source: Bloomberg, Emirates NBD Research. Note: Brent and WTI managed money futures and options.

Investor positioning in WTI hit another record for net length, its fifth week running for hitting a new high level in data going back to mid-2006. Longs (including ICE WTI holdings) outnumber shorts by a ratio of nearly 9 to 1 yet WTI prices have only moved 0.5% higher year-to-date. So far backwardation in the WTI curve has not widened as early or as far as it has in Brent but it has crept forward several months from where it was one month ago. December time-spreads remain more muted than in the Brent curve but they have consistently widened since mid February.

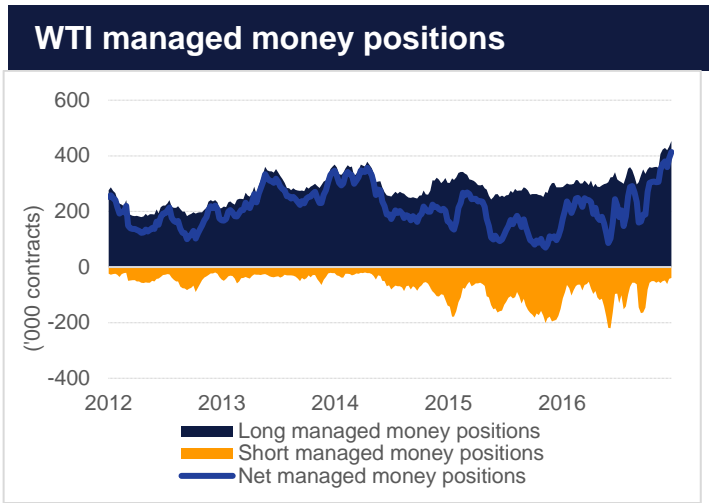
Speculators added net length to Brent positions for the second week running, the first two weeks on the trot since early December. Long dated backwardation in Brent is hovering around USD 2/b for the Dec 17/19 spreads. This level of backwardation for second year ahead December spreads last showed up just as the market was entering into freefall in mid 2014. However, the market is in a far tighter position at the moment than it was at that time, not least thanks to OPEC's production cuts.

Edward Bell

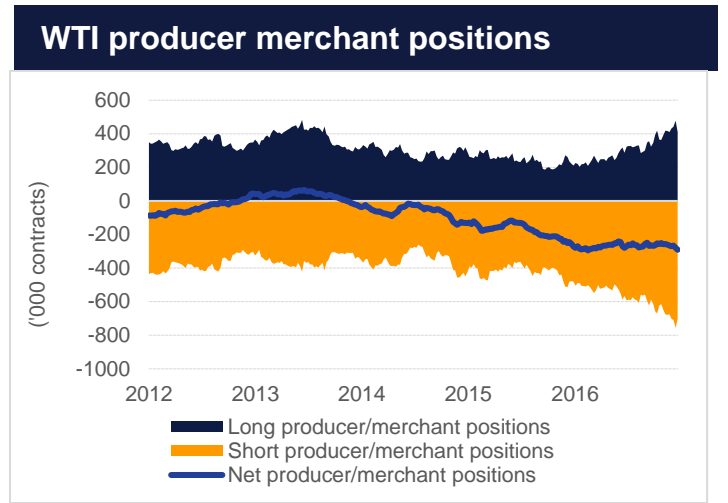
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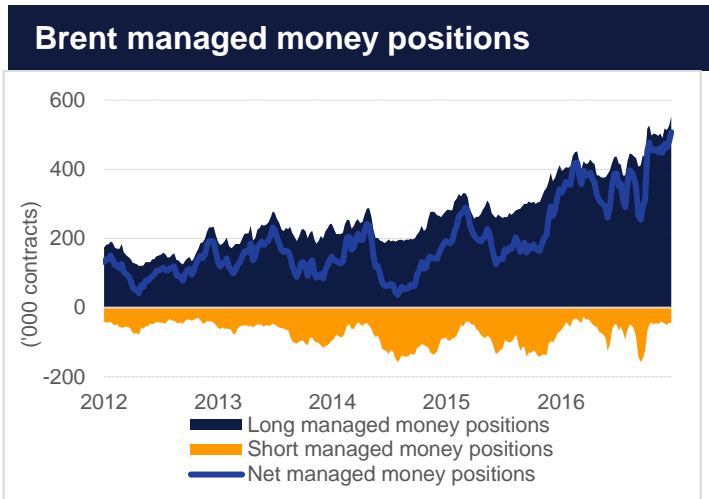
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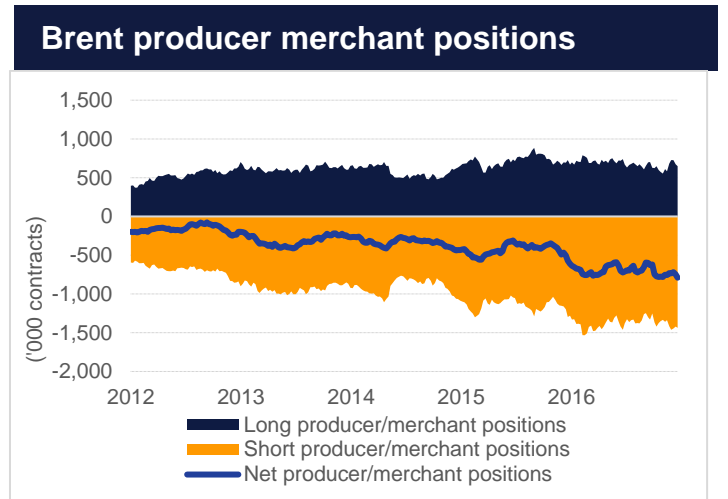
Source: Bloomberg, Emirates NBD Research. Note: NYMEX WTI futures and options



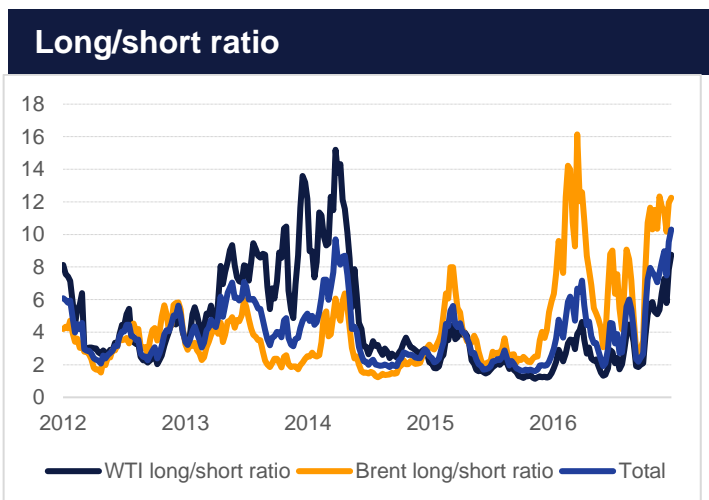
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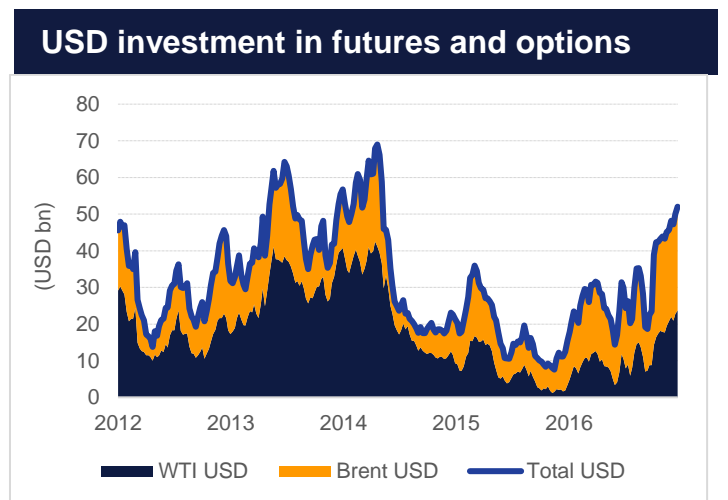
Source: Bloomberg, Emirates NBD Research. Note: futures and options



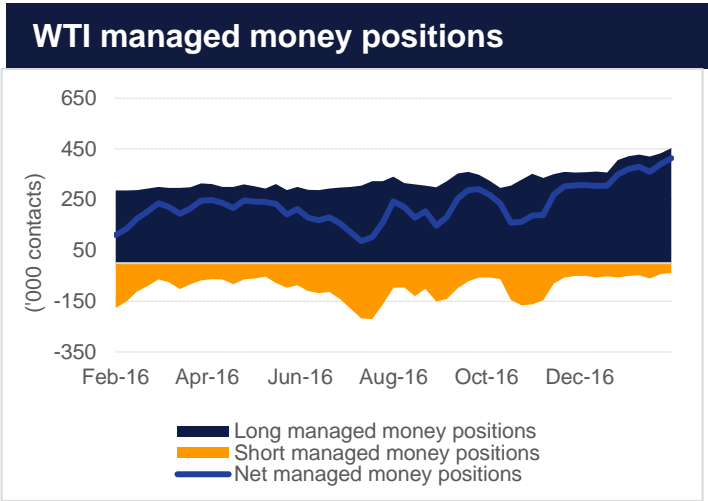
Source: Bloomberg, Emirates NBD Research. Note: futures and options



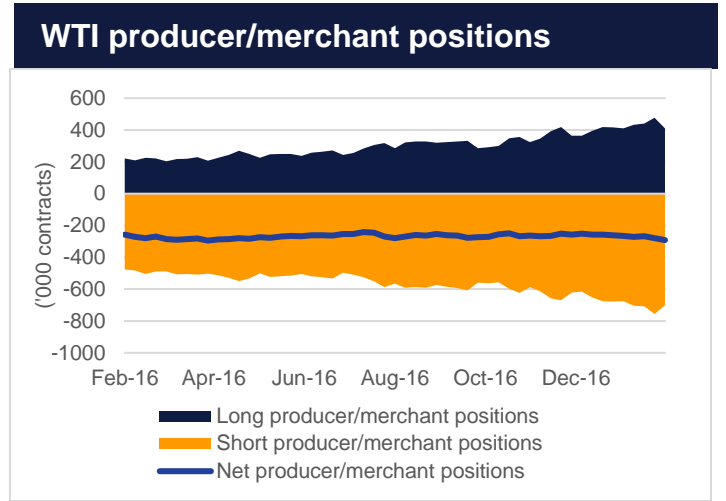
Source: Bloomberg, Emirates NBD Research. Note: total futures and options (NYMEX WTI, ICE WTI and ICE Brent)



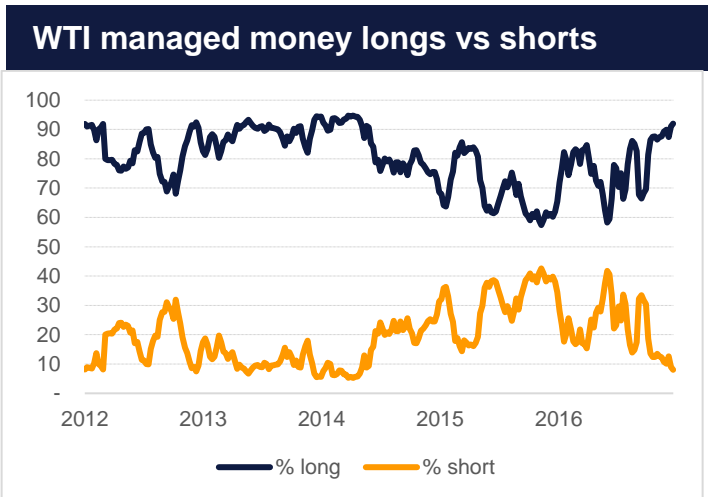
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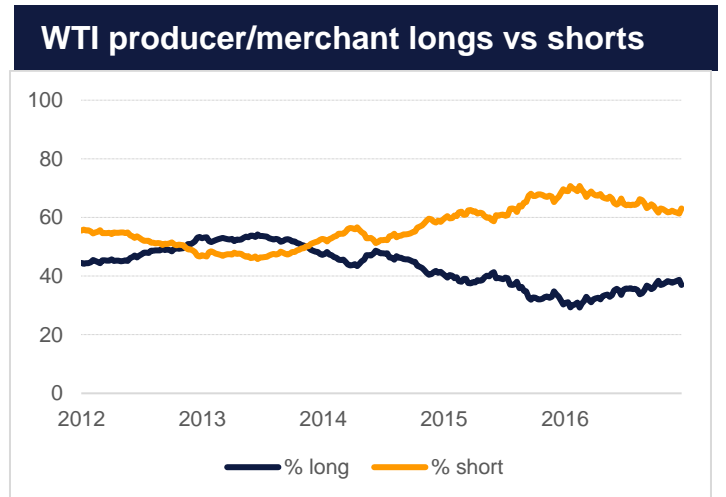
Source: Bloomberg, Emirates NBD Research. Note: NYMEX WTI futures and options



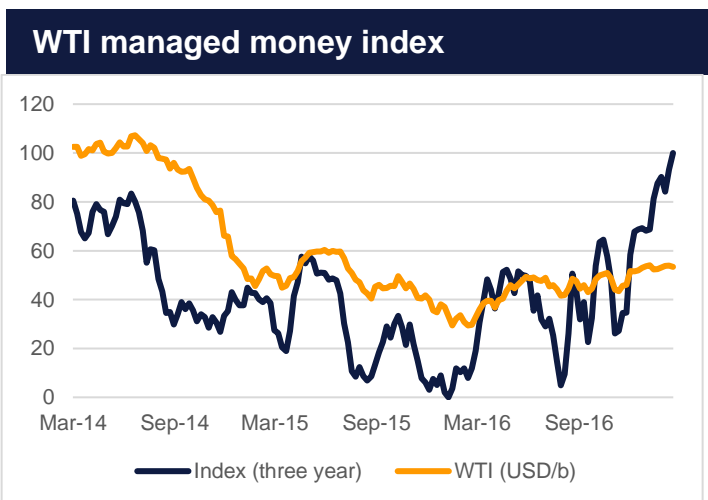
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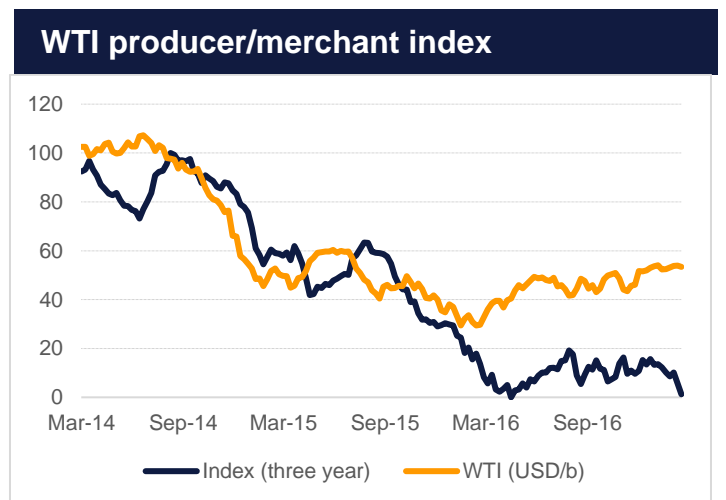
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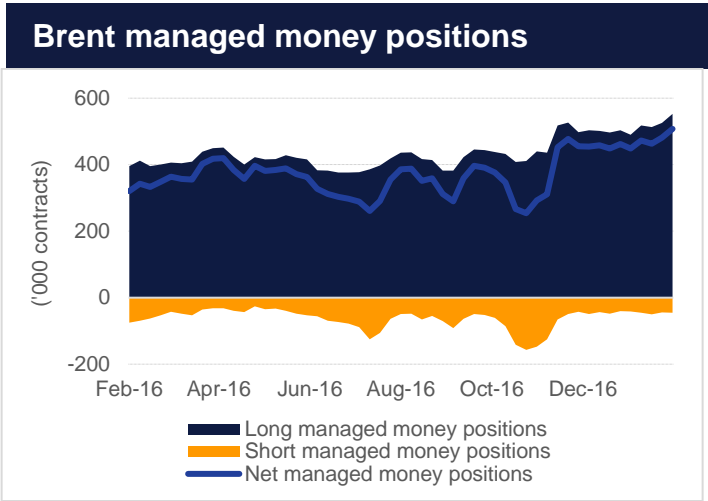
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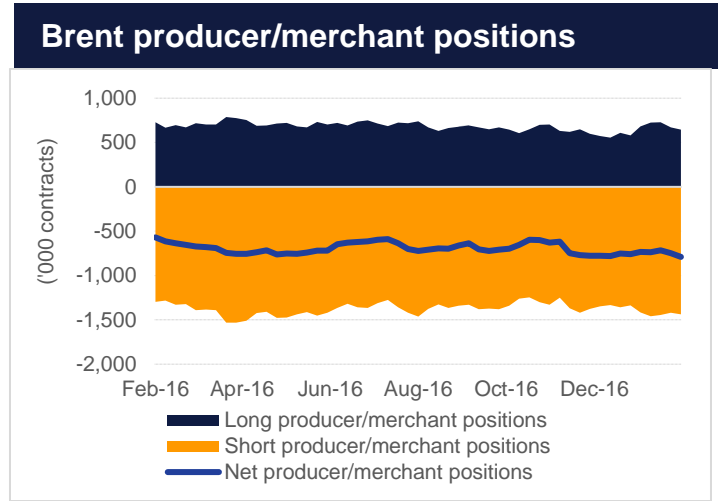
Source: Bloomberg, Emirates NBD Research. Note: current net long position (futures and options) relative to rolling three-year minimum and maximum.



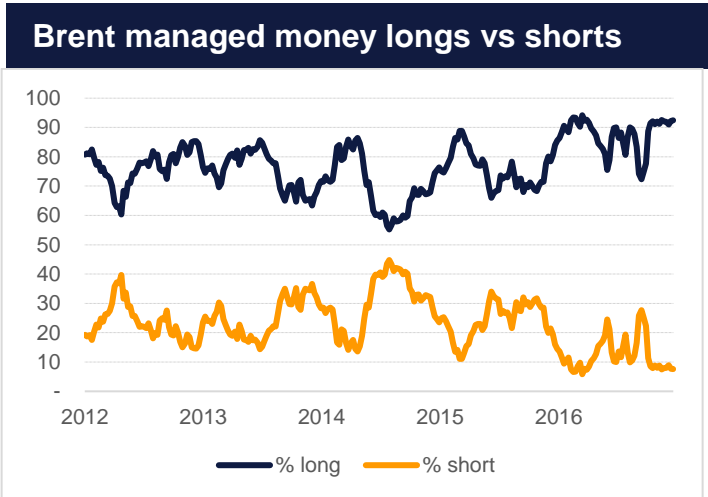
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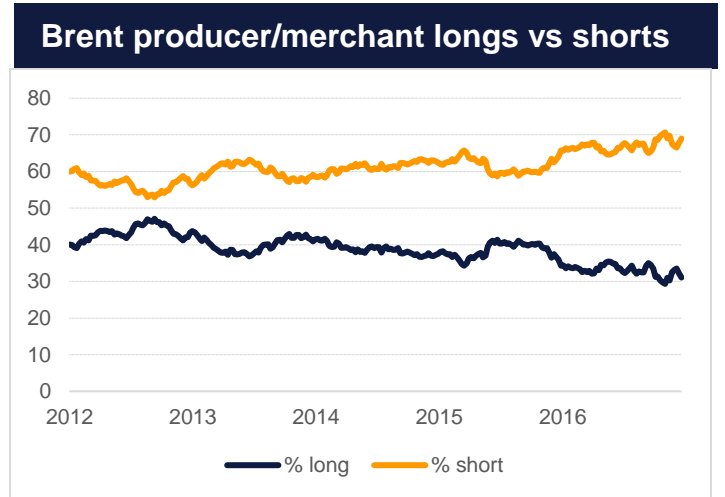
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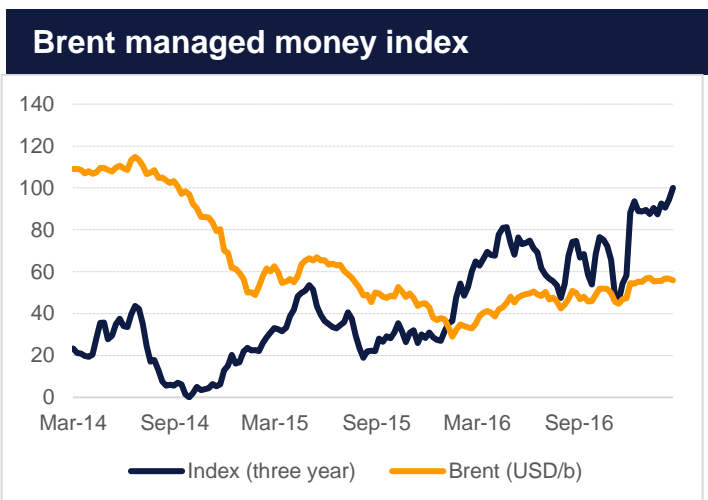
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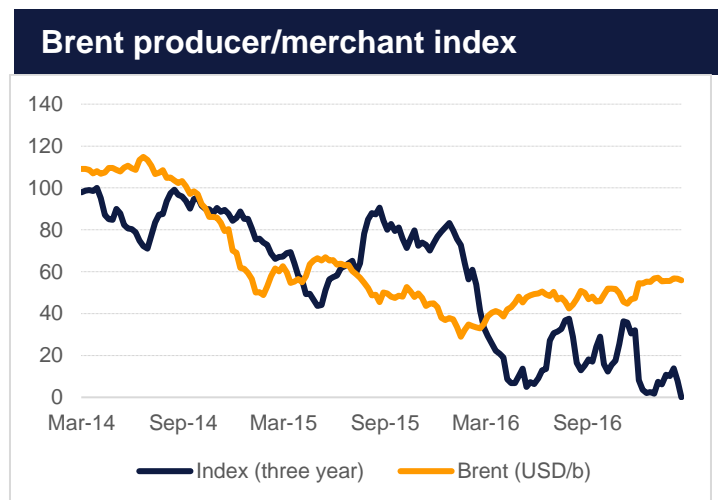
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