



Creative Global Investments

Oil commentary & charts

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Carlo R. Besenius
Chief Executive Officer
cbesenius@cg-inv.com



Creative Global
Investments LLC
115 East 57th Street 11th
Floor New York, NY 10022
Tel: 212 939 7256
Mob: 917 301 3734

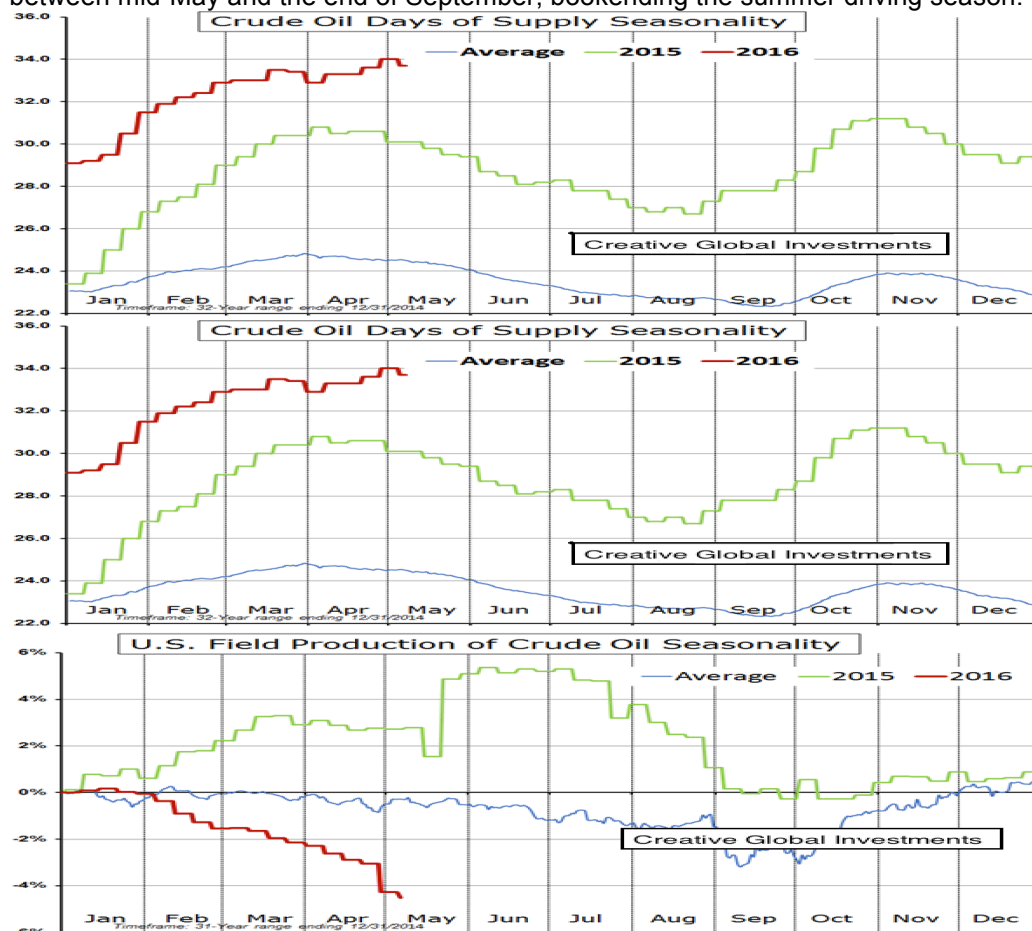
Creative Global
Investments/Europe
5, op der Heed
L-1709 Senningerberg
Luxembourg/Europe
Tel: +(352) 2625 8640
Mob: +(352) 691 106 969

Objectivity

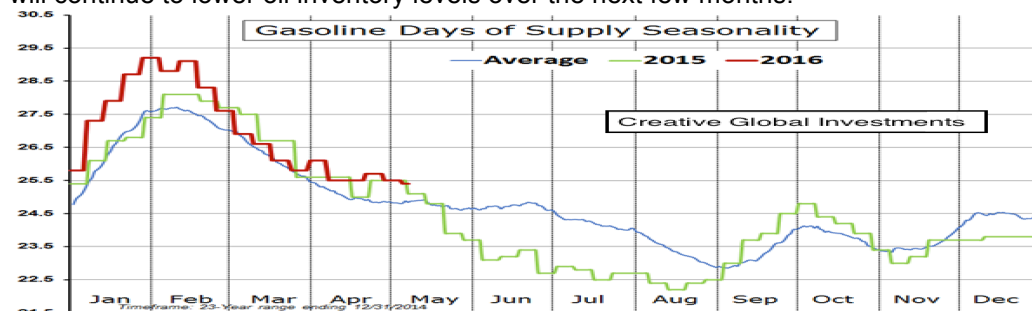
Integrity

Creativity

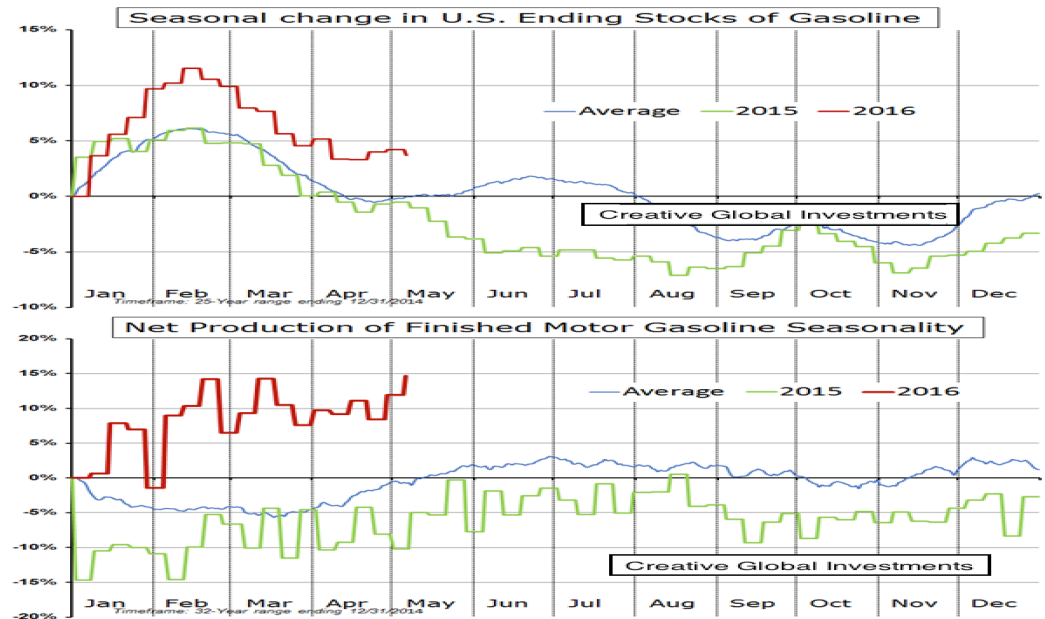
The Energy Information Administration reported a surprise drawdown in energy commodities, sending prices higher. The EIA reported that oil inventories declined by 3.4MN barrels, while gasoline inventories declined by 1.2MN barrels. The days of supply of each ticked lower as oil enters a period where demand typically outpaces production; the increased demand typically results in a decline in oil inventories between mid-May and the end of September, bookending the summer driving season.



The decline in domestic production combined with an increase in gasoline production will continue to lower oil inventory levels over the next few months.



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Oil prices shot up during the session and were still rising after the closing bell. Brent crude was last up 3.99% at \$47.71 per barrel, while West Texas Intermediate added 2.83% to \$45.96. Subsequent to the EIA report, the price of oil bounced off its 20-day MVA and moved back up to the highs of the year. As we had forecasted in November 2015, the 2016 January and February lows were going to be the bottom for Oil prices, as investors were focusing on a Q2 or the latest Q3 2016 rebalancing between demand and supply, and as it appears, this just is materializing, and hence why we **maintain our \$52 Q2 price target for \$WTIC, and our \$68 price for \$WTIC by year-end 2016.**



\$USD US Dollar Index - Cash Settle (EOD) ICE

11-May-2016

Open 93.87 High 94.33 Low 93.65 Close 93.79 Chg -0.09 (-0.10%)

© StockCharts.com

\$USD (Weekly) 93.79

MA(40) 96.71

72.00

74.72 79.84 84.10 78.60 84.96 78.93 93.15 92.52 100.71 98.43 100.60 91.88

Jul Oct 12 Apr Jul Oct 13 Apr Jul Oct 14 Apr Jul Oct 15 Apr Jul Oct 16 Apr

— PPO(6,12,9) -0.823, -0.715, -0.109

— MACD(12,26,9) -0.933, -0.553, -0.379

▲ RSI(14) 40.75

2.0 1.5 1.0 0.5 0.0 -0.5 -1.0

2 1 0 -1

90 80 70 60 50 40 30 20 10

The chart displays the US Dollar Index seasonality over a 23-year period. The Y-axis ranges from 0.0% to 1.2% in 0.2% increments. The X-axis shows the months from January to December. The index starts at 0.0% in January, rises to a peak of approximately 1.0% in late February, then declines to a trough of about 0.4% in late May. It then rises to another peak of about 1.0% in late August, followed by a decline to a trough of about 0.2% in late October. The index ends at approximately 0.4% in December.

Carlo R Besenius, CEO & Head of Global Strategy

cbesenius@cg-inv.com

office: +(352) 26 25 86 40

mobile: +(352) 691 106 969

Luxembourg/Europe

Sabine CJ Blümel, Head of Global Automotive Research

sblumel@cg-inv.com

office: +44 (7785) 301588

London, UK

Feliks Lukas, Director of Corporate Consulting

flukas@cg-inv.com

office: 212 939 7256

mobile: +(385) 9848 8951

Kastela, Croatia

Gary Schieneman, Managing Director,

Global Accounting and Finance

gschieneman@cg-inv.com

office: 917-868-6842

New York, NY, USA

Steve Gluckstein, Global Strategist

sgluckstein@cg-inv.com

office: 212 939 7256

mobile: 732 768 8843

New York, NY, USA

Marc Peters, Head of Global Industrial Strategy

mpeters@cg-inv.com

office: +(352) 26 25 86 40

mobile: +352 621 36 44 50

Luxembourg/Europe

Allison M Cimon, Director of Sales & Technology

amcimon@cg-inv.com

office: 646 228 4321

Boston, MA, USA

Jennifer Crisman, COO

jcrisman@cg-inv.com

office: +(352) 26 25 86 40

Luxembourg/Europe

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