

The Politics of Dancing

DNC: Do Not Care...RNC: Really No Cares

I will provide the teeming millions with some Presidential facts to help you make the call in November.

Jimmy Carter (D.) 1978 -1980 -

There was the Iranian crisis and that defines his Presidency. It lasted 444 days and for us Barrel-heads, took about 4M b/d out of the market. In lieu of the oil shortage President Carter divested his wisdom upon America and told us to bike more to work and wear more sweaters in Winter. Brilliant.

Ronald Reagan (R.) 1980 -1988 -

He quickly put an end to the oil crisis in America buy removing all price regulation in oil and gas. Boom goes the last domestic oil spike until 2011. Hey also took pride in American oil by eliminating 85% of the renewable energy credits and pulled out everything from wind power. Considering these bold moves, it might have been prudent to add crude to the SPR, but The Gipper couldn't see that far on the horizon.

George H. Bush (R.) 1988 – 1992 -

The most boring President since Carter, he never pulled the trigger on Iraq which would have spiked oil prices. He was trying to figure out what to do in the wake of the Reagan-omoics recession and was bogged down with that. Ironically this oilman was part of the original group to establish the Kyoto Protocol.

Bill Clinton (D.) 1992 - 2000 -

My best memory is this is the man that sold oil out of the SPR to be the first president since Nixon to carry one of the smallest budget deficit's in America's history (no, he didn't really create a surplus).

George W. Bush (R.) 2000 - 2008 -

Another Bush oilman and a lot of confusion. There was the Iraq War that drove prices so high, the US Government filled up the SPR to a record 700M bbls. Umm, not so sure about the timing there Dubya. We also set records for imports during this time and our "addiction to oil" left only ourselves to blame.

Barack Obama (D.) 2008 - 2016 -

All Hail the King! US production sets records for not only crude, but for our refinery system too. Add to that the highest demand for gasoline on record and what's not to love? Hey forget about Canada, the ban on US crude exports was lifted too. If this is what we can get with an environmental friendly President, come take my money!

That's Hot

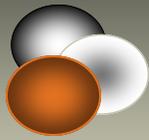
- Gasoline demand (don't even bring that weak sauce talk about Summer driving demand)
- FOMC (like the Sega Genesis...shh, it's thinking)
- Nude selfies (the main reason why a person has to be over 35 to run for President)



I can't keep checking my phone

That's Not

- US oil production (down goes Frazier)
- Iraq (when you wish upon a star...)
- Bob, Gordon and Luis (I didn't know there was a retirement home on Sesame Street)



Oil Outlooks and Opinions

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Crude:

Where does the time go? It's hard to believe that we're already moving along to the **CLU6** contract. It's even harder to imagine we're that much further along in the spreads in CL too. Just as soon as we think we're ready to find the high side of the CL contract, here comes the seasonal play once again. We'll concentrate on what's at hand and look for resistance at 4255, 4362 and 4464. The support numbers fall in at 4106, 4085 and 3990. The front spread moves up to **CLU6/CLV6** and they start with resistance at -44, -25 and -02. Support comes back to -63, -80 and -105. I think the joke is finally over...I think. A bounce here into the weekend.

Gasoline:

OK laziness has been set aside and I'm moving ahead with the **RBU16** contract. We can start with resistance here at 13155, 13385 and 13566. Support looks below to 12970, 12774 and 12568. The front spread moves to RBU6/RBV6. Resistance at 882, 945 and 1010. Support to 824, 765 and 680. The RBU6/CLU6 gets resistance at 1370, 1422. Support falls to 1322, 1266.

Distillate:

The calendar keeps us moving and we are focused on the **HOU16** contract. We'll get resistance here at 13245, 13466 and 13660. Support looks back to 13014, 12885 and 12660. The front spread bumps up to HOU6/HOV6. Resistance here looks at -248, -225. Support holds down to -266, -290. The crack moves up to HOU6/CLU6. Resistance at 1388, 1424. Support back to 1336, 1290.

Trends are only for the affected:

OK, I've been neglecting here, but it's just painful to think that there really might be a trend behind all of this. I mean there is, but it's the same one that I've been harping on the Daily chart since January 2016. Track that back and you'll see that we've made it to 5000 and now we can look for that target to run to 5400. Channel support has room to the 4750-4800 area and we'll see pivot above here at that 5000 area.

Fundy you should mention:

Hey hey, not a bad day. We have Q2 GDP (2.6) to start the day at 8:30am EST. If you notice that consensus number, it's pretty respectable. Something that would surprise to the upside would start the rumbling for a rate hike before the Presidential election and it's hard to say who that would play out best for; the GOP to convince America the Dems are stunting growth or the Dems who can reflect on this as a huge sign America is back on track. We also get Employment Cost Index (0.6) at 8:30am. Then Chicago PMI (54.0) at 9:45am and Consumer Sentiment (90.6) at 10:00am.

Sorry, I am just physically attracted:

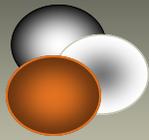
There's a lot going on in the cash space. OK, just kidding. Hold on though, we're out there wrapping up summer gasoline production so there's that. I have said this before, if President O really wants to make up all the ground he lost the past 8 years accidentally making America the biggest and best fossil fuel country in the world, there's an out. All he has to do is change the EPA gasoline summer standard to the full year. Just a flick of the wrist and the incoming President would have a big battle to wipe that one away like Universal Health Care. It's a chance to cement a legacy on environmentalism that has eluded him for his terms. #Justsaying

Techies, some Trekkies

- 200 Day MA 4456
- 100 Day MA 4611
- 13 Day MA 4476
- 8 Day MA 4373
- 14 Day RSI 32.07

Spread now; Roll later

- Fall into Fall
- Key support: -66, -85, -110
- Key Rests: -35, -12, +20



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Carpe Diem (trade for today):

A writer writes, a trader trades.

If it looks cheap, it probably is. I go LONG CLU6 above 4160. I want to jump in above 4140, but I get the feeling that is just a head fake and I'll get caught in the air. I give it a little more room and we might be able to see momentum swing my way. We're thinking another draw down and another loss in US crude production in the stats this week. That should give us some juice to run this up to the 4220 area.

A lot of hedging, a lot of guessing. I go SHORT CLU6 under 4080. It's just in such a weird spot under 4100 that I can't get my head around direction either way. I suppose that we could just capitalize on fear down past this level, but it seems like the leash would be short. I'd stay into see 4020, but I just don't want to see if we flush much more from there before the bargain hunters step in.

For now, the disclaimer can be found here: <http://www.oiloutlooks.com/page7.html>

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