







Event	MarCon*	IIR Comment	IIR Links	Outlet
Oil-Demand Recovery Unlikely for Months Despite Vaccine Hopes		"The IEA darkened its outlook for crude consumption in the months ahead, citing resurgent COVID-19 infection rates in the U.S. and Europe. It now expects demand for 2020 to fall by 8.8 million barrels a day this year - 400,000 barrels a day more than its last forecast. And while stocks of refined products finally fell in September after six consecutive months of increases, the pandemic has hammered refiners. The pandemic has permanently removed 1.7 million barrels a day of refining capacity from the market, while a further 20 million barrels a day of capacity has been idled." Without production cuts, "the IEA's forecasts imply that there will be almost zero change to oil stocks in the first three months of 2021."	Chevron Guts Capital Spending as it Faces Low-Price, Low-Demand Reality	WSJ
Third COVID wave could have a serious impact on the U.S. economy		The US economy is facing an accelerating surge in coronavirus cases and harsh new restrictions on business activity without the cushion of meaningful fiscal support, raising fears of a blow to the recovery.	North American Industrial Spending Index Continues to Drop. But Food & Beverage Projects Shine	Financial Times
China seems to have fully recovered, even economically		"China's economic activity posted a broad-based recovery in October, paving the way for a faster economic rebound in the final quarter of the year. Both investment and consumer spending grew at faster year-over-year rates in October than the month before, while industrial production, the first sector to emerge from this year's coronavirus-induced slump, remained solid. Industrial output, which has led the nation's economic recovery in recent months, rose 6.9% in October from a year earlier, on par with September's pace and higher than market expectations for a 6.5% increase."	China's Natural Gas Output Up 11.9% in October. an Industrial Info Market Brief	WSJ
Accelerating the long-term shift of refining capacity from North America and Europe to Asia		Slumping fuel consumption during the pandemic is accelerating the long-term shift of refining capacity from North America and Europe to Asia, and from older, smaller refineries to modern, higher-capacity mega-refineries. The result is a wave of closures, often centering on refineries that only narrowly survived the previous closure wave in the years after the recession in 2008/09. Fuel consumption has been stagnant or falling across most of North America, Western Europe and Japan since 2007 as a result of efficiency improvements. North American, European and Japanese refineries have been left battling to protect their share of a declining market, creating downward pressure on profitability. The problem of overcapacity has been masked during periods of strong economic growth but exposed every time the business cycle turns down.	EIA: U.S. Refinery Runs Below Average Due to COVID-19, Reduced Demand	Reuters

<p>Slew of tankers sail toward Venezuela, suggesting oil export rebound</p>		<p>"At least 18 oil tankers are expected to load oil for export from Venezuela in the coming weeks, according to tracking data and internal documents from state-run PDVSA, in a sign the sanctioned OPEC nation's crude exports may rebound this month. Venezuela's oil exports fell to their lowest levels since the 1940s in October, as some of Petroleos de Venezuela's last remaining clients halted trade with the company ahead of a deadline imposed by the United States."</p>	<p>Explosion Underscores Venezuelan Refiner's Operational Problems, an Industrial Info Market Brief</p>	<p>Reuters</p>
<p>Weekly Recap: 11/11-11/18</p>		<p><i>Harsh Reality. Even though we are experiencing “vaccine announcement Mondays,” first by Pfizer and then by Moderna; this only helps buoy the longer-dated market. In the short term, COVID outbreaks in the U.S. are escalating, with likely restrictions (and lockdowns) in store just like those being experienced in Europe, which seem to have contained its latest outbreaks, according to “the curves.” Also, in East-versus-West news, not only is the Green Economy entrenched in the East; now Refining & Petrochemical Processing appear headed that way as well. It seems more and more likely this is setting up to be the Asian century.</i></p>		

*MarCon (Market Condition 1-5, with 5 being the highest impact) indicates directional bias or price effect for the relevant commodity (Oil, Natural Gas, Chemicals, etc.) and is graded by our team of experts here at IIR.