

WTI CRUDE	BRENT CRUDE	MARS US	OPEC BASKET	URALS	LOUISIANA LIGHT	BONNY LIGHT	MEXICAN BASKET	NATURAL GAS
47.66 ▲ +0.67 +1.43%	50.80 ▲ +0.51 +1.01%	48.09 ▲ +0.42 +0.88%	49.65 ▲ +0.07 +0.14%	39.60 ▲ +0.00 +0.00%	49.02 ▲ +0.43 +0.88%	49.45 ▼ -0.17 -0.34%	45.84 ▲ +0.34 +0.75%	2.667 ▼ -0.015 -0.56%

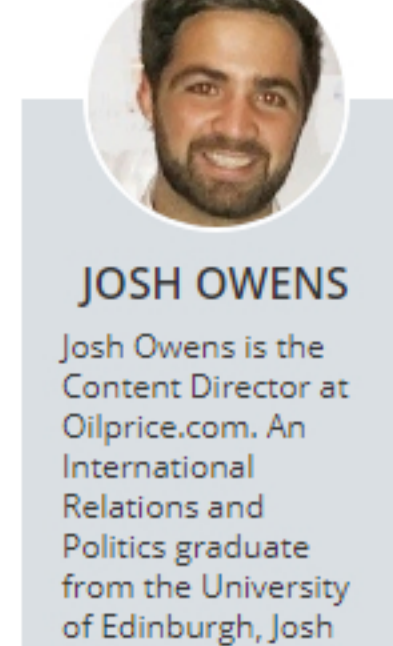
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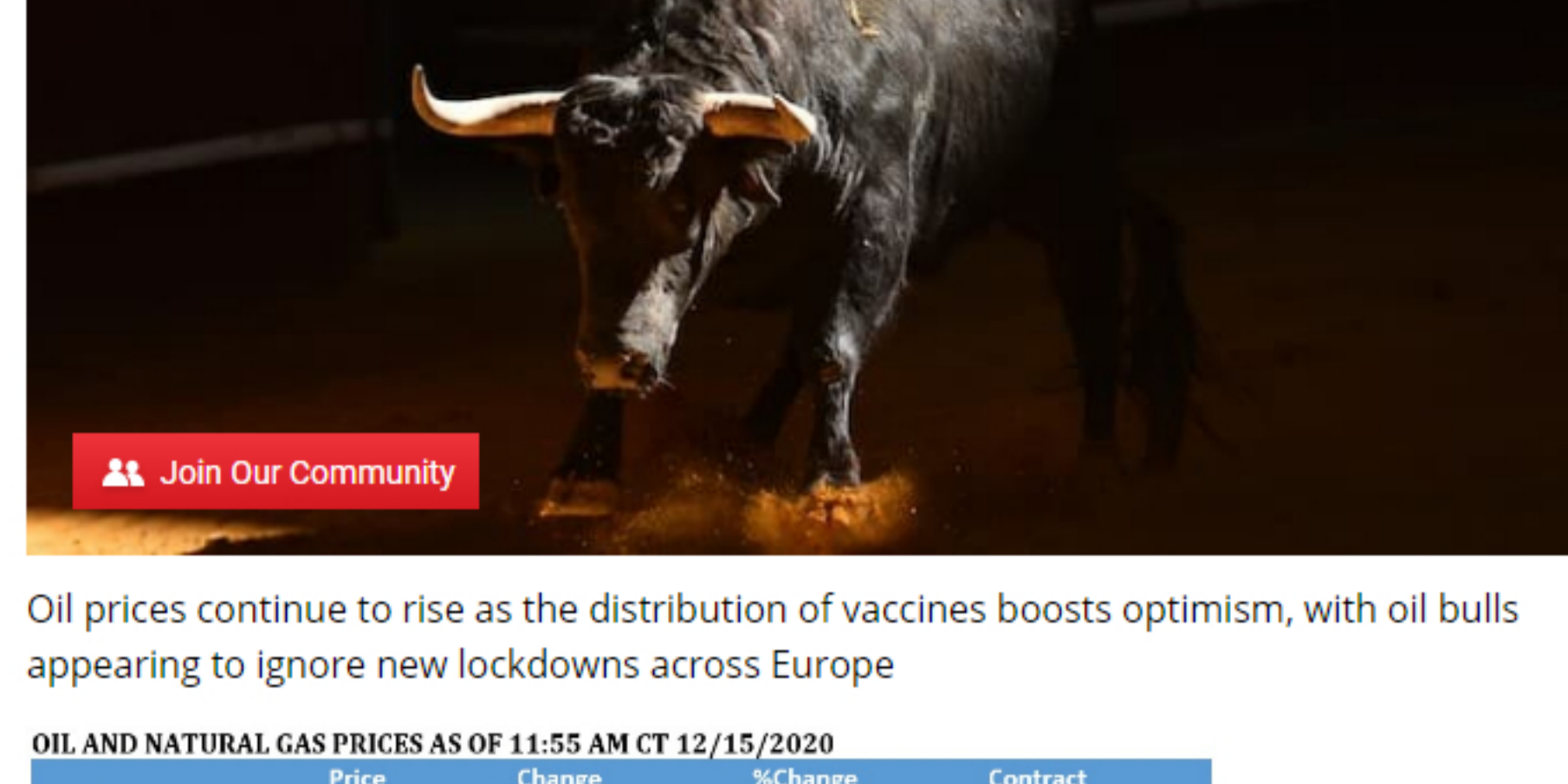
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**JOSH OWENS**  
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# Oil Bulls Are Back Despite New COVID Lockdowns

By [Josh Owens](#) - Dec 15, 2020, 1:00 PM CST



Oil prices continue to rise as the distribution of vaccines boosts optimism, with oil bulls appearing to ignore new lockdowns across Europe

**OIL AND NATURAL GAS PRICES AS OF 11:55 AM CT 12/15/2020**

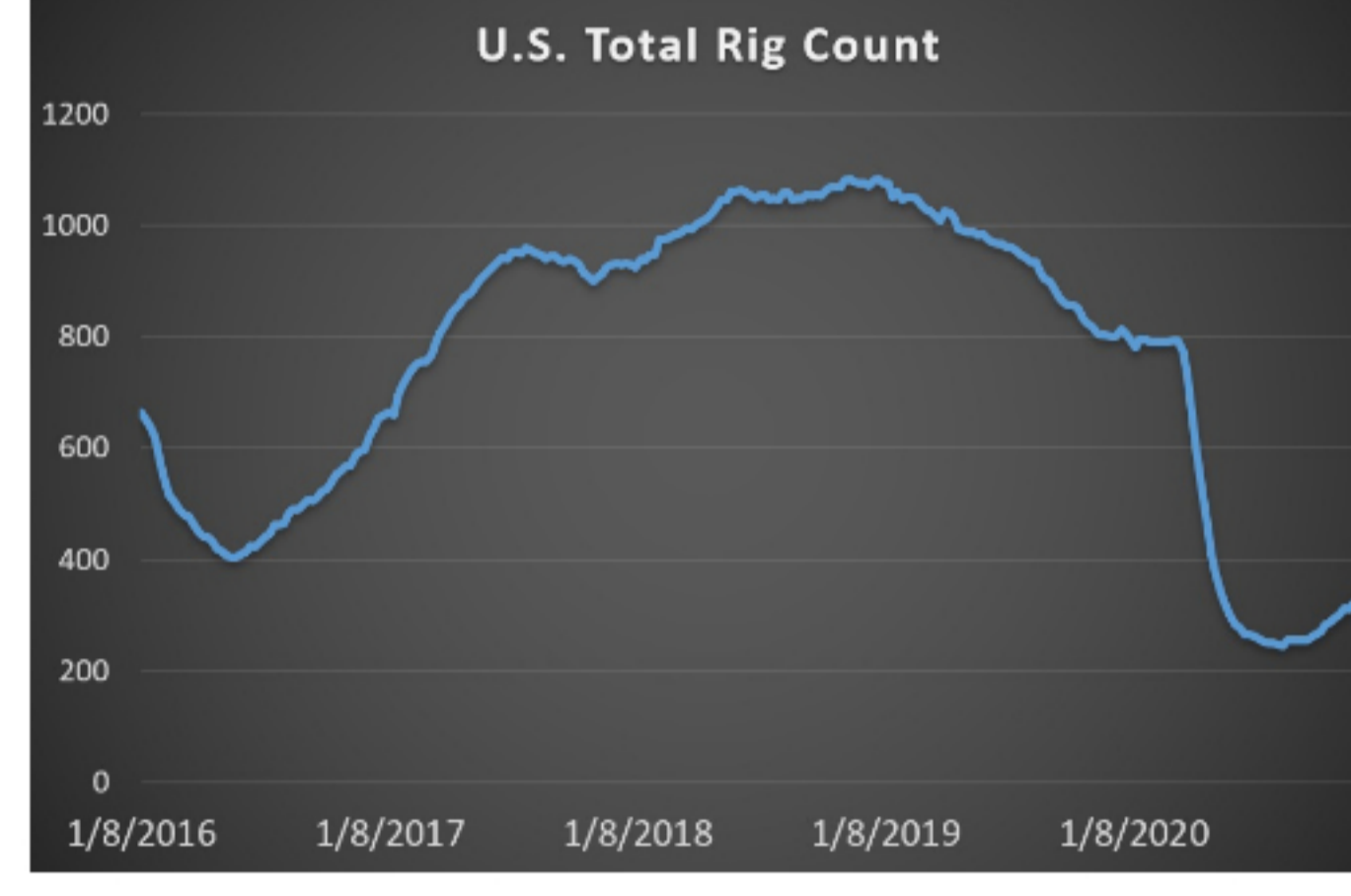
	Price	Change	%Change	Contract
WTI	47.49	+0.50	+1.06%	JAN 2021
Brent	50.68	+0.39	+0.78%	FEB 2021
Natural Gas (Nymex)	2.645	-0.35	-1.30%	JAN 2021

**U.S. RIG COUNT FOR DECEMBER 11, 2020:**

	Oil	Gas	Total	Year ago Total 12/11/2019
Rig Count	258	79	338	799
Change from previous week	+12	+4	+15	---

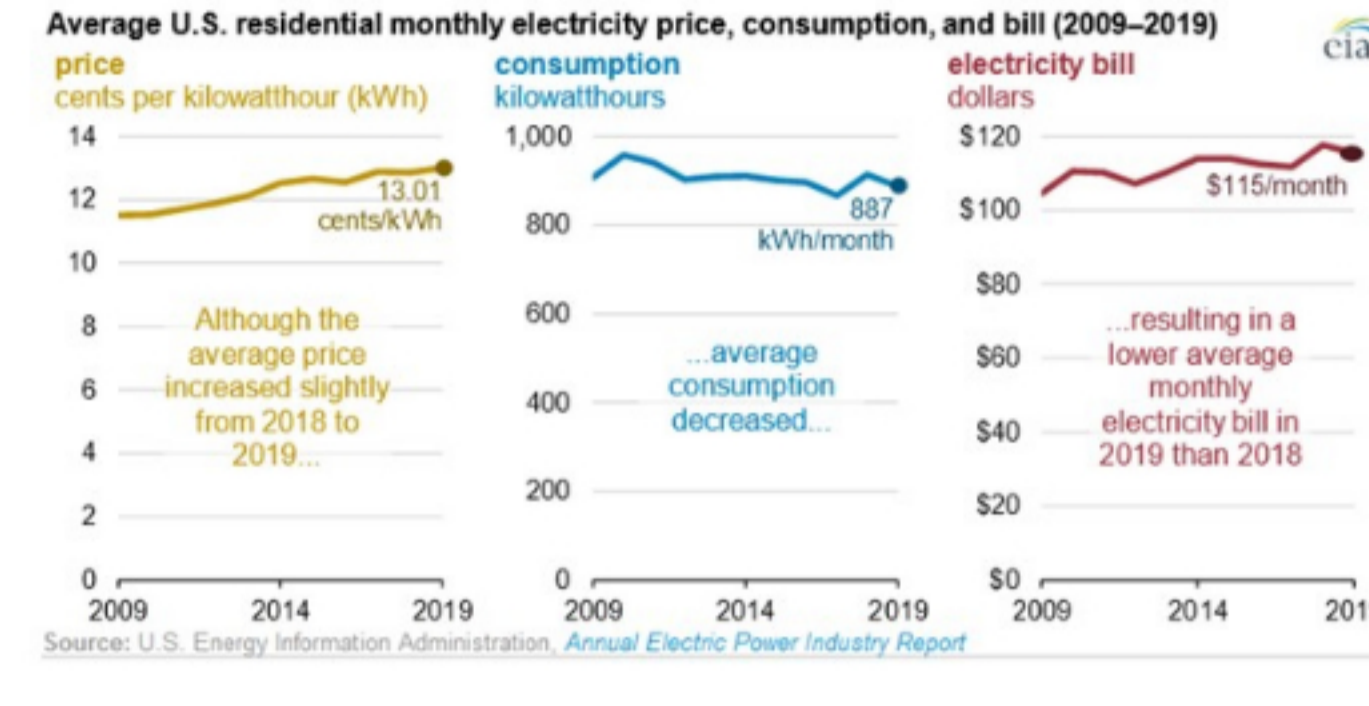
**RIGS PER BASIN FOR DECEMBER 11, 2020:**

	Total	Net Change +/- from last week
Barnett	0	0
Cana Woodford	8	-1
DJ-Niobrara	7	+1
Eagle Ford	26	+3
Granite Wash	1	+1
Haynesville	40	0
Marcellus	27	+2
Mississippian	0	0
Permian	168	+4
Utica	6	+1
Williston	11	0
Others	44	+4



**Chart of the Week**

**Average monthly electricity bill for U.S. residential customers declined in 2019**



- In 2019, the average [monthly electricity bill](#) for households declined to \$115 per month, down by 1.8% compared to 2018.
- That came despite rising prices – average electricity prices rose by 12.87 cents per kWh. Lower bills were the result of lower consumption.
- Hawaii has the highest electricity bills in the country, while Alabama, South Carolina and Mississippi had the lowest.

**Market Movers**

- **New Fortress Energy (NASDAQ: NFE)** said it would offer \$250 million in debt at 6.75% on senior secured notes due in 2025.
- **Ecopetrol (NYSE: EC)** [announced](#) a 2021 CAPEX plan of \$3.5-\$ billion, with 80% of that focused on Columbia, and the remaining 20% in Brazil and the U.S.
- **Royal Dutch Shell (NYSE: RDSA), Eni (NYSE: E),** and other partners in the Karachaganak oil project [paid](#) \$1.3 billion to Kazakhstan to settle a longstanding dispute over revenue sharing.

**Tuesday, December 15, 2020**

Brent rose above \$50 per barrel in recent days and has held there at the start of this week. The beginning of widespread vaccinations in Western Europe and North America has led to a surge of optimism. At the same time, the Covid-19 wave is at its worst. "Brent is continuing to defy all the negative news," [said](#) Carsten Fritsch, an analyst at Commerzbank. "More and more countries in Europe and states in the U.S. are tightening the corona restrictions over Christmas and the new year, which is likely to weigh on demand."

**IEA cuts 2021 forecast.** The IEA cut its 2021 demand forecast by 170,000 bpd, largely due to a downgrade in jet fuel demand.

**Oil tanker attacked in Jeddah.** An "explosive-laden" boat struck a fuel tanker at the Saudi port of Jeddah. There were no casualties and no disruptions to fuel supplies, the Saudi government [said](#).

**Related: Large Oil Trader Trafigura Books Strongest Trading Year Ever**

**LNG prices skyrocket.** Spot LNG prices in Asia – JKM – fell below \$2/MMBtu earlier this year, but have recently spiked as demand picks up. Prices spiked above \$12/MMBtu.

**Venezuela's environmental nightmare.** Venezuela's oil industry has collapsed and as Bloomberg Green [reports](#), it is resulting in an environmental disaster.

**Exxon's Guyana venture is paying off.** The growing oil boom in the offshore Guyana-Suriname Basin continues to [gain pace](#). Exxon's latest discovery in neighboring Suriname adds even more momentum.

**Exxon announces a carbon-intensity plan.** ExxonMobil (NYSE: XOM) is not exactly willing to cut emissions on an absolute basis, but under withering pressure from investors, activists, and civil society, the oil major announced plans to [lower carbon intensity](#). Exxon said it would cut emissions per production 15% to 20% below 2016 levels. But emissions could still rise if production rises. The move comes weeks after several European buyers balked at U.S. LNG shipments over concerns about methane emissions from U.S. shale.

**Exxon cuts 700 jobs.** ExxonMobil (NYSE: XOM) [cut](#) 700 jobs in its Houston office.

**Bombshell report pours cold water on global LNG.** Wood Mackenzie is [warning](#) that global energy transition goals could threaten more than two-thirds of the world's supply of liquefied natural gas, leaving trillions of cubic meters of gas in resources stranded.

**Parsley Energy lays off workers ahead of Pioneer merger.** Parsley Energy (NYSE: PE) will [lay off](#) most of its workforce in Austin as part of its sale to Pioneer Natural Resources (NYSE: PXD).

**Canada to hike carbon price to \$170/tonne by 2030.** Canada will put a [carbon price](#) of as much as \$170 per tonne by 2030, up from \$30 currently. The tax will rise by around \$15 per year to reach that higher threshold at the end of the decade. The result could be gasoline prices that are 37 cents per gallon higher by 2030.

**Canada's oil sands back in favor.** Morgan Stanley and Goldman Sachs each issued notes to clients highlighting Canadian oil sands producers for their ability to generate cash flow. They singled out Suncor Energy (NYSE: SU), Canadian Natural Resources (NYSE: CNQ) and MEG Energy Corp. (TSE: MEG). The eight largest oil sands producers [generated](#) \$1.4 billion combined in free cash flow in the third quarter.

**UK to end fossil fuel financing overseas.** The UK [said](#) it would halt all financing for overseas fossil fuel projects as part of its latest climate initiative.

**Germany aims for 65% renewables by 2030.** Germany tightened its energy law, hiking its renewables goal to [65% by 2030](#).

**Related: Norway To End Oil Production Cuts On December 31st**

**Tesla hikes output amid rising demand.** Tesla (NASDAQ: TSLA) said demand for its vehicles is so high that it would try to ramp up production this month. "We are fortunate to have the high-class problem of demand being quite a bit higher than production this quarter," Elon Musk [wrote](#) in an email to staff.

**Australia to subsidize refineries.** Australia will [pay](#) a subsidy to struggling refineries to keep them open.

**European heavy-duty trucks to phase out ICE engine.** Heavy-duty truck makers in Europe announced plans to [phase out](#) the internal combustion engine by 2040.

**EV sales to grow by 50% in 2021.** Global sales of EVs could [rise](#) by as much as 50% next year, with ICE sales growing by just 2% to 5% (although from a much larger base), according to Morgan Stanley. 2021 "is shaping up to be a critical year for EV adoption and (internal combustion engine) de-adoption that will dictate the pace of multiple expansion, contraction, consolidation, and proliferation" among the stocks, Morgan Stanley analyst Adam Jonas said in the note.

**Forest Service approves Mountain Valley Pipeline.** The U.S. Forest Service [issued](#) an environmental impact statement supporting the Mountain Valley Pipeline's route through the Jefferson National Forest. The document allows the pipeline to clear a key hurdle in the project's completion.

**Bakken no growth through at least 2022.** North Dakota officials do not see any production [growth](#) from the Bakken through 2022 as companies reel from the latest downturn.

**China hopes to boost shale gas.** China is looking to [attract investments](#) in shale gas developments by easing restrictions on foreign entities and subsidizing costs in a bid to boost its natural gas production while its demand continues to grow.

**Scotiabank rules out Arctic oil.** Scotiabank [became](#) the fifth major Canadian bank to prohibit financing oil in Alaska's Arctic Wildlife Refuge. Most major banks in both the U.S. and Canada have now blocked financing in ANWR, but the Trump administration is hoping to finalize a lease sale before January 20.

**Clean energy provisions tucked into spending bill.** U.S. House and Senate leaders have [agreed](#) to include some clean energy innovation measures into a major omnibus spending bill. The bipartisan measures promote nuclear power, energy storage, carbon capture, and direct air capture.

**EV models to triple in three years.** The [number](#) of electric vehicle models available to consumers is expected to more than triple in the next three years, from roughly 40 to 127 in the United States.

**Solar installations soaring 43%.** U.S. solar installations [shot up](#) 43% this year to over 19 GW, shrugging off the pandemic.

By Josh Owens for Oilprice.com

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