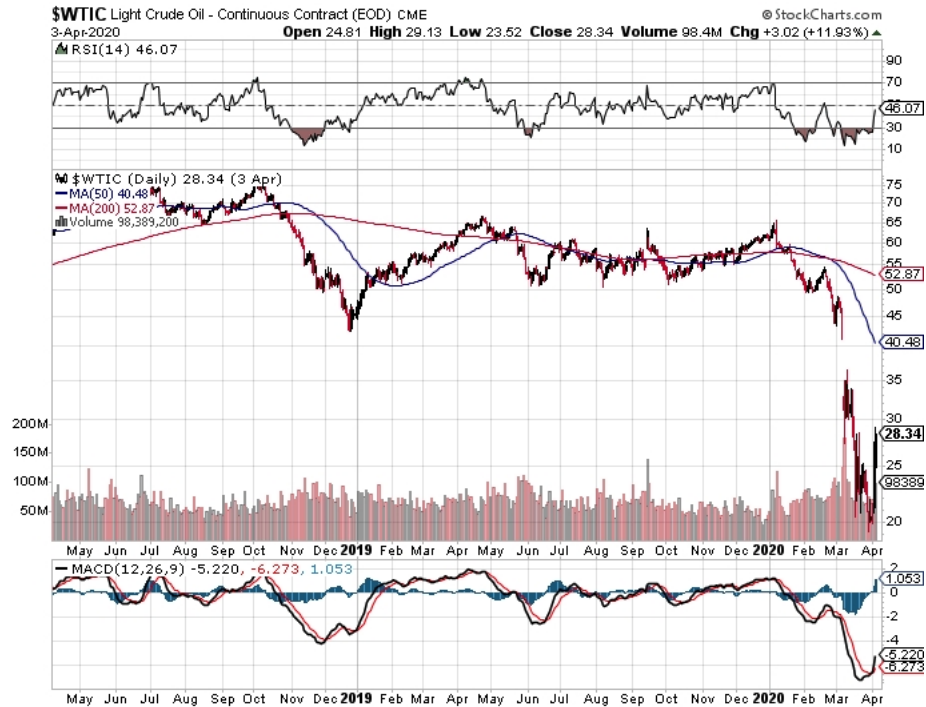


The Top 3 Blood in the Streets Opportunities in Oil

There's hope the bottom is in place for oil.

Granted, we have an oversupply of oil at the moment.



All as people around the world stay home and off the roads, and as transportation comes to a grinding halt. In addition, an OPEC meeting was just delayed. Over the last few days, oil ran higher on hopes OPEC+ was contemplating a production cut of up to 10% of the world's supply. Russian President Putin even noted a cut of 10 million barrels a day seemed possible.

Shortly after, tensions boiled over between the two warring countries again.

Russia blamed the Saudis for pulling out of an OPEC deal, for increasing production, and for offering oil price discounts.

The Saudis fired back saying Putin's comments were "devoid of truth."

"Now we have two issues," said Helima Croft, head of global commodities research at RBC. "After President Trump's statement it seems rather unlikely any production commitment is forthcoming. And it looks like we might have a new diplomatic rift between Russia and the Saudis... The Saudi minister is pushing back furiously on the Russian minister's assertion that the Saudis are targeting shale."

However, there are some signs of good news.

Despite further fallout between Russia and Saudi Arabia, Russia's sovereign wealth fund chief says, "the two sides are very, very close."

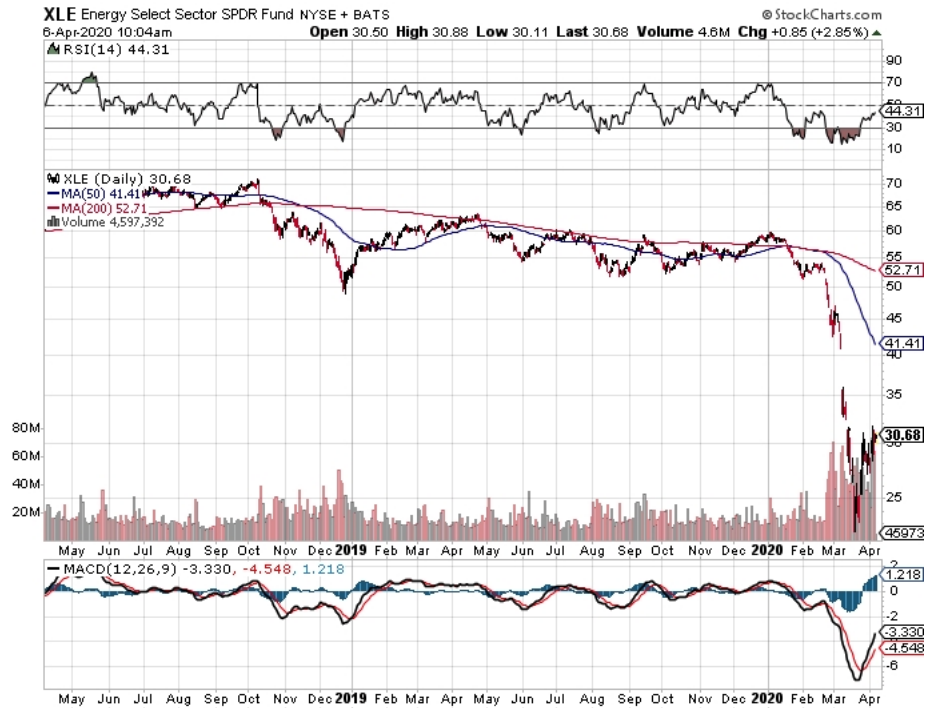
"I think the whole market understands that this deal is important and it will bring lots of stability, so much important stability to the market, and we are very close," said Kirill Dmitriev, CEO of the Russian Direct Investment Fund, as quoted by CNBC.

If that's the case, it's time to start buying some of the most oversold oil names on the market.

Some of the top opportunities to consider include:

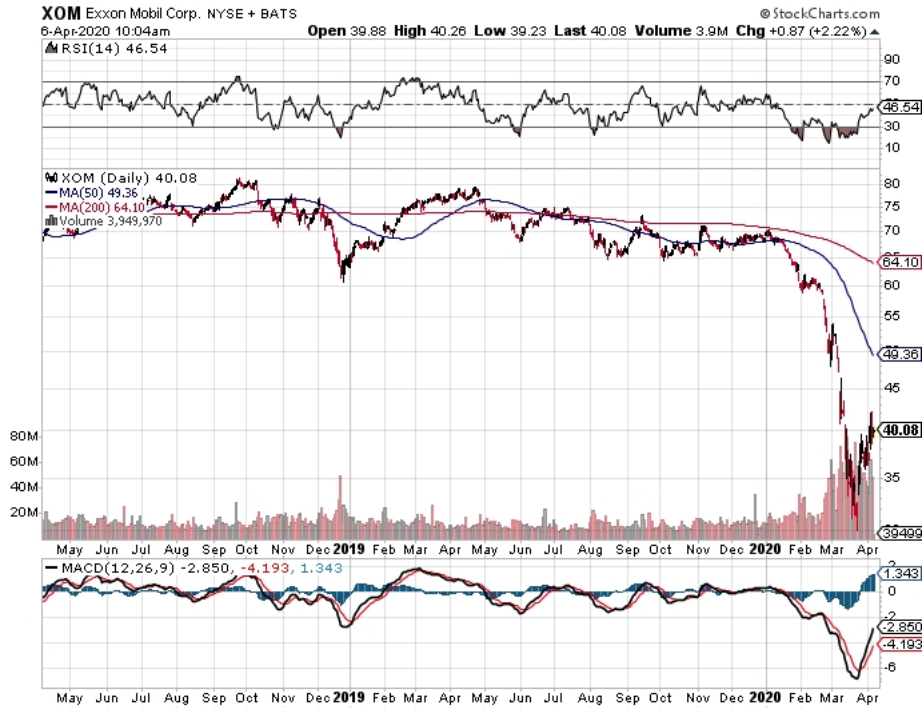
Opportunity No. 1 – Energy Select Sector SPDR Fund (XLE)

The XLE seeks to provide exposure to companies in the oil, gas, and consumable fuel, energy equipment and services industries. All have been beaten down on lower oil prices. At \$30.80 a share, you're offered exposure to Chevron, Exxon Mobil, EOG Resources for example. The XLE is also technically oversold and is just beginning to rebound from its lower Bollinger Band (2,20), and from oversold extensions on RSI, MACD, and Williams' %R.



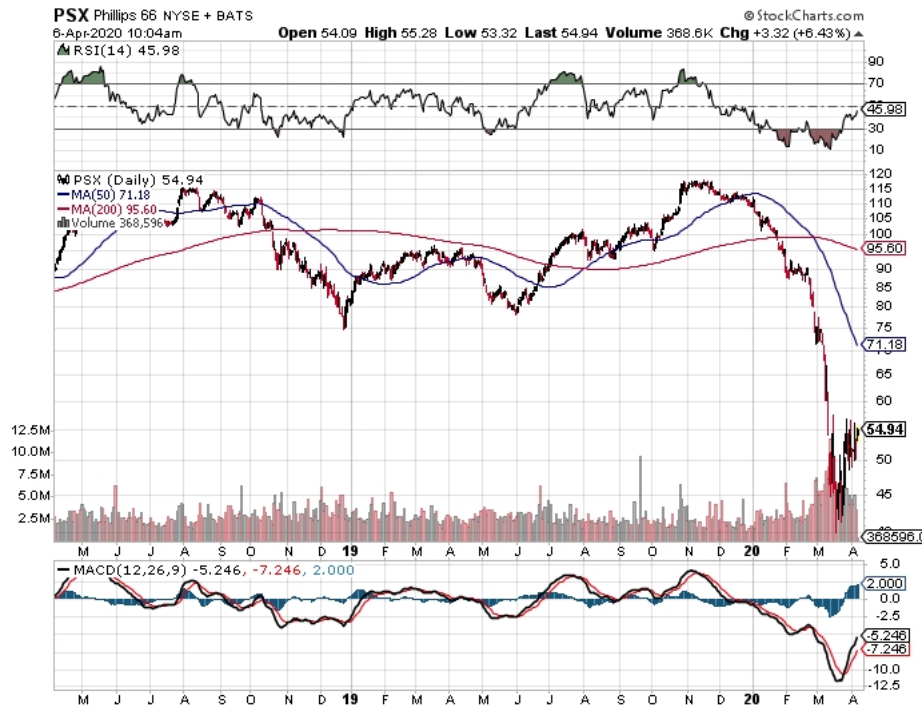
Opportunity No. 2 – Exxon Mobil (XOM)

With a massive pullback in oil prices, XOM has become incredibly oversold, and is also just beginning to pivot higher from oversold technical pivot points. With plenty of patience, XOM could refill its bearish gap around \$70 a share. It's become one of the top blood in the streets trading opportunities for oil traders. At depressed prices, it's a strong buy.



Opportunity No. 3 – Phillips 66 (PSX)

Phillips 66 is another top blood in the streets opportunity to buy and hold, long-term. It's also just beginning to pivot higher from aggressively oversold conditions. With patience, it could refill a bearish gap around \$90 a share – with patience. Jefferies analysts also argue that many of the refiner stocks, like PSX have priced a good deal of fear into their stocks.



Even though Covid-19 will have “a severe impact on 2020 refined product demand, resulting in acute financial pressure in the second and third quarter, we see the virus’s passing, low interest rates, fiscal stimulus, low energy prices, and globally de-stocked supply chains fueling a return to more normal conditions in 2021,” they wrote, as quoted by Barron’s.

The firm also upgraded PSX to a Buy from a Hold rating.