

Investors pile into decade's best oil price rally



Hedge funds are leaning into crude's biggest rally in a decade. Their wagers on rising benchmark oil prices in New York and London have jumped to the highest levels since October, according to data released on Friday for the week ended March 26. That put them on track to benefit from gains that capped the best quarter for crude since 2009 as fresh evidence of tightening global supplies emerged. West Texas Intermediate has advanced 32% this year, and global Brent crude is up 27%. Among the reasons supporting the optimism, Opec orchestrated global production cuts and drilling slowed in America's shale patch. "Risk-on seems like it's back in vogue," said Stewart Glickman, an energy equity analyst at CFRA Research. "People are looking at those things and what seems like a pretty steadfast position by the Saudis and thinking, 'why can't oil go to \$70 or \$75?'" The net-long WTI position – the difference between bets on higher prices and wagers on a decline – climbed 12% to 238,205 futures and options contracts, according to US Commodity Futures Trading Commission data. Longs increased by almost 7%, while shorts

slid 16%. Glickman himself is cautious about oil's future, noting an increase in permitting in the Permian shale basin that could portend another big acceleration in production. Still, he said, "if you want to be a bull in energy, there's enough data points to support the argument." Money managers increased bets on Brent crude by 13,429 net-long positions, or 4.4%, to 322,035, according to ICE Futures Europe data.