GoldSquawk

OIL REPORT · NOVEMBER 2026

Light crude positioning leaves oil exposed to headline-driven squeezes

GoldSquawk Research

Key takeaways

- NYMEX WTI speculative net length fell to 74.0k contracts in the week to 10 November, down 6.3k w/w and just 13% of its 52-week range, indicating a lightly owned market rather than a crowded long one[1].
- WTI managed-money net length was only 25.7k contracts as of 10 November, after rising by around 4.0k w/w mainly through short-covering rather than fresh long buying; that suggests funds remain hesitant to re-risk despite sharp geopolitical price swings[2,3].
- Prompt structure still points to nearby supply risk: WTI M1-M2 backwardation was +$1.31 on 13 November and Brent front-month backwardation was +$2.81 on 14 November, even as flat price has retraced from early-October extremes[4].
- The counterargument is credible: the IEA said global supply exceeded demand in October, observed inventories rose by 52 mb in October, and balances return to surplus in 4Q26, while the EIA also sees inventories beginning to build in 4Q26 and more sharply in 1H27[5,6].
- The result is an asymmetric market: funds may be correctly cautious on the medium-term balance, but still too light for live shipping and logistics risk around Hormuz, which can force abrupt upside repricing when headlines intensify[5,7,8].

Figure 1: WTI speculative length remains near the bottom of its range



Source: CFTC Commitments of Traders (futures only), as of 10 November 2026.

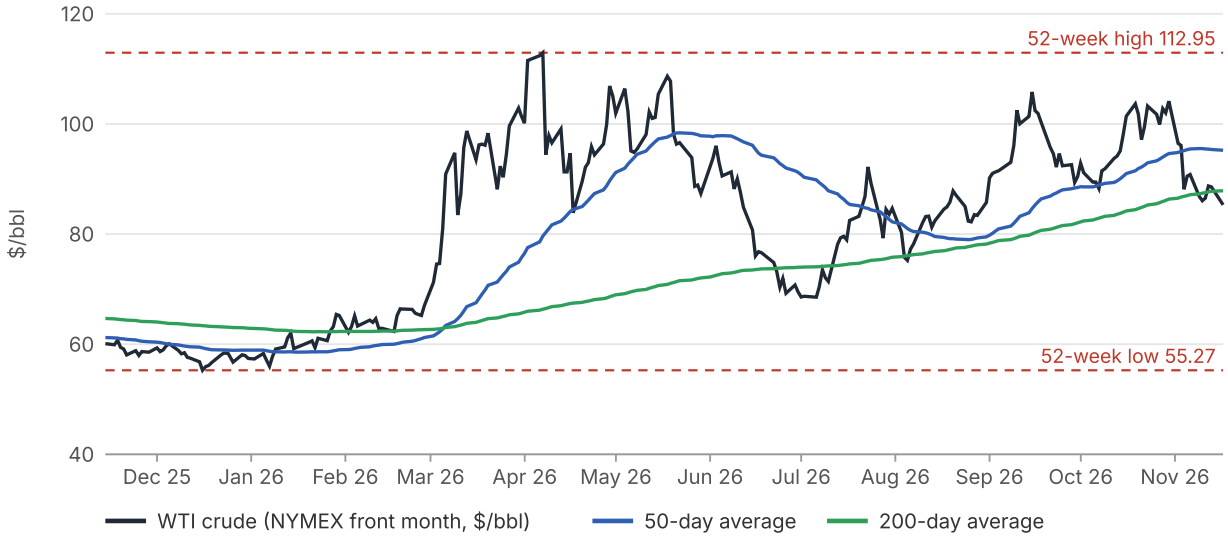
Positioning is light, and the rebuild remains tentative

- GoldSquawk data show NYMEX WTI speculative net length at 74.0k contracts for the week to 10 November, down 6.3k w/w and only 13% of its 52-week range; GoldSquawk also flags WTI

positioning as near a 3-year low[1,9].

- In the CFTC disaggregated futures-only report, WTI managed money held 148,092 longs against 122,378 shorts for a net long of 25,714 contracts on 10 November, with open interest at 1,917,473 contracts. That leaves outright fund exposure small relative to market size[3].
- The weekly improvement in managed-money net length to 25.7k from 21.7k was driven more by fewer shorts than by new longs: longs rose 710 while shorts fell 3,276[3]. That points to caution rather than aggressive conviction buying.
- This matters for volatility because there is limited stale bullish length to liquidate on bad news, while fresh disruption headlines can still force new buying into a lightly owned market[10,4].

Figure 2: Large price swings have not been matched by a strong positioning rebuild

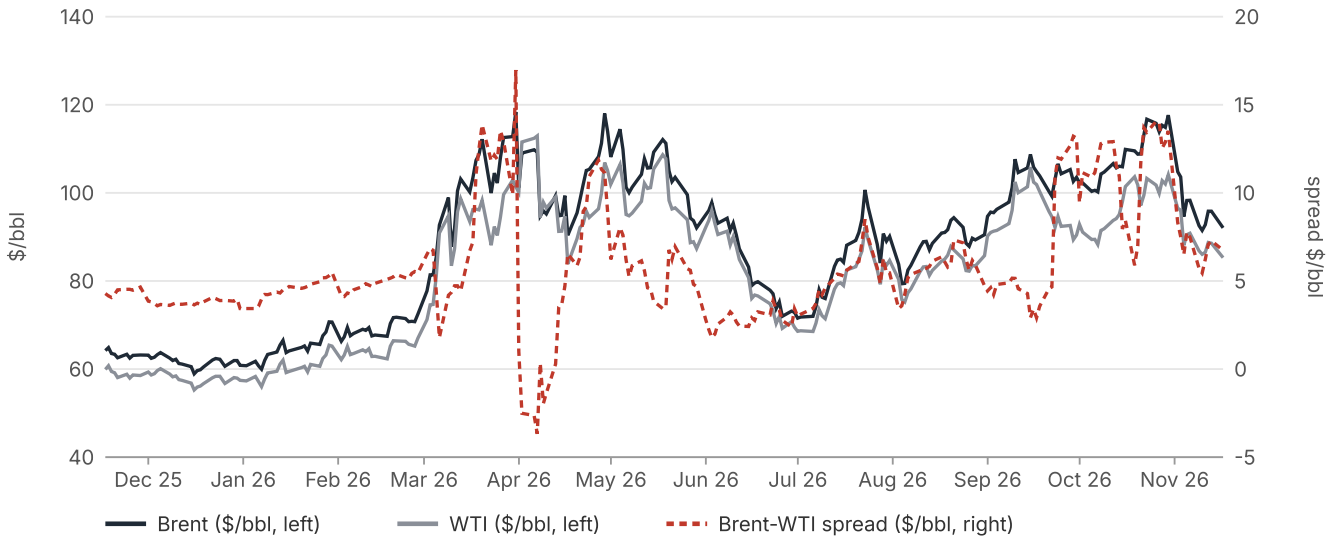


Source: NYMEX WTI crude futures daily closes via Yahoo Finance; GoldSquawk calculations, as of 17 November 2026.

Why funds may still be too slow for current volatility

- WTI settled at $85.30/bbl on 17 November, below both its 200-day moving average of $87.88 and its 50-day moving average of $95.24, after falling 15.9% over one month [chart: oil_technical]. Brent was $92.04 and WTI $85.30 on 17 November, while AP reported Brent at $95.82 on 12 November and $92.44 on 16 November after having fallen below $90 on 10 November[11,12].
- The IEA said North Sea Dated fell from $136/bbl on 8 October to about $93/bbl by 13 November, underscoring how large the recent swings have been relative to still-muted speculative participation[5].
- Options markets also still price meaningful movement: OVX stood at 49.6 on 16 November, implying an expected daily move of around ±$2.67/bbl, with only 36% of the past year lower[13]. Yet headline volatility has not translated into a decisive gross-long rebuild in CFTC data[13,2].
- GoldSquawk's earlier report noted WTI M1-M2 backwardation at +$1.31 on 13 November and Brent front-month backwardation at +$2.81 on 14 November[4]. The combination of firm prompt backwardation and light outright length suggests funds have not fully caught up with near-term event risk[4,2].

Figure 3: Regional risk premia remain present, but balances have loosened



Source: ICE Brent and NYMEX WTI front-month futures via Yahoo Finance; GoldSquawk calculations, as of 17 November 2026.

Why caution persists despite shock risk

- The IEA said global oil supply exceeded demand in October, with supply up 2.3 mb/d m/m to 105.4 mb/d after a 3 mb/d increase in September, while observed inventories rose 52 mb in October[5]. The agency said balances imply a return to surplus in 4Q26 and a larger build in 2027[5].
- The EIA's 10 November STEO similarly said global inventories fell by 1.2 mb/d in 3Q26 but begin building in 4Q26, with a much larger build in 1H27[6]. Those balance signals help explain why medium-horizon funds have been reluctant to chase every geopolitical rally[5,6].
- At the same time, logistics risk has not disappeared. The IEA said oil on water surged 86 mb in October and freight costs from the Middle East to Asia remained near record levels, while AP reported continued security concerns for Hormuz shipping on 10 and 16 November[5,7].
- The Brent-WTI spread was +$6.72 on 17 November, above its 1-year average of +$5.80, with Brent at $92.04 and WTI at $85.32[11]. That does not prove a shortage, but it is consistent with a market still carrying regional and shipping-risk premia rather than fully normalising[11,7].

Scenarios

- **Supportive shock case:** Shipping security around Hormuz worsens or disruption headlines intensify while prompt backwardation stays firm and funds continue to hold relatively light outright length. In that setup, crude can react sharply because fresh buying has to do more of the adjustment work[7,4,1,2].
- **Pressure case:** Observed stock builds continue to validate the IEA and EIA surplus narrative, Gulf export recovery holds, and prompt spreads soften. In that setup, funds may stay cautious and continue treating geopolitical rallies as temporary rather than rebuilding sustained long exposure[5,6].
- **Whipsaw case:** Headline risk remains elevated, but no lasting barrel loss emerges and positioning only oscillates through short-covering. That would preserve high realised volatility and a reactive tape without producing a durable directional consensus among funds[3,13].

Levels to watch

- WTI last close $85.30/bbl [chart: oil_technical]
- 200-day moving average $87.88/bbl [chart: oil_technical]

- 50-day moving average $95.24/bbl [chart: oil_technical]
- 52-week high $112.95/bbl [chart: oil_technical]
- 52-week low $55.27/bbl [chart: oil_technical]

References

1. CFTC Commitments of Traders, via GoldSquawk data: Speculative positioning. https://goldsquawk.com/oil/data#positioning
2. CFTC Commitments of Traders, via GoldSquawk data: Positioning by trader type. https://goldsquawk.com/oil/data#positioning-types
3. CFTC Commitments of Traders Short Report - Petroleum (Futures Only). https://www.cftc.gov/dea/futures/petroleum_sf.htm
4. Volatility and backwardation still outstrip outright crude positioning | GoldSquawk Oil Report. https://goldsquawk.com/oil/reports/56626-volatility-and-backwardation-still-outstrip-outright-crude-positioning
5. Oil Market Report - November 2026 - IEA. https://www.iea.org/reports/oil-market-report-november-2026
6. Short-Term Energy Outlook - U.S. Energy Information Administration (EIA). https://www.eia.gov/outlooks/steo/marketreview/crude.php
7. Rubio urges nations to 'step up' on Strait of Hormuz security. https://apnews.com/article/49f273e626ca4bab0e5a2d32e4943014
8. Third US aircraft carrier arrives in the Middle East as Trump keeps options open in the Iran war. https://apnews.com/article/9858fc82c61c7a1d159e7bba72afe99a
9. CFTC Commitments of Traders, via GoldSquawk data: Positioning heat map. https://goldsquawk.com/oil/data#positioning-map
10. Oil Data: Stocks, Positioning, Spreads | GoldSquawk. https://www.goldsquawk.com/oil/data
11. ICE Brent and NYMEX WTI front-month futures, via GoldSquawk data: Brent-WTI spread. https://goldsquawk.com/oil/data#brent-wti
12. Wall Street shakes with swings for Nvidia and oil prices but recovers most of its early losses. https://apnews.com/article/8bf08407eafe1655ed73112f7494029a
13. Cboe OVX daily closes, via GoldSquawk data: Implied volatility and levels. https://goldsquawk.com/oil/data#volatility

Glossary

Backwardation: A market structure where near-dated futures trade above later-dated futures, often read as a sign of tighter prompt supply [5].

Managed money: A CFTC trader category mainly covering hedge funds and other money managers in futures markets [6].

Non-commercial net long: The difference between speculative long and short positions held by non-commercial traders in CFTC data [16].

Open interest: The total number of outstanding futures contracts that have not been closed or delivered [6].

OVX: The Cboe Crude Oil Volatility Index, which reflects the level of implied volatility priced by oil options [11].

This report is for information only and is not investment advice or a recommendation to buy or sell any asset. It was researched and written with the help of AI from the sources cited and reviewed before publication. Prices and data can change quickly; past performance is not a guide to future results.