

Macro Roundup Article

Headline: [There's an Unusual Divergence Between Energy Stocks and Oil Prices](#)

Article Link: <https://www.bloomberg.com/news/articles/2022-11-29/there-s-an-unusual-divergence-between-energy-stocks-and-oil-prices?srnd=oddlots&sref=U3dOGIDF>

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Tweet: .@tracyalloway and @luwangnyc of @bloomberg report an unusual divergence: the price of West Texas Intermediate crude oil for immediate delivery has dropped almost 18% since July, while energy stocks have jumped more than 32% in the same time frame.

Summary: While the price of West Texas Intermediate crude oil for immediate delivery has dropped almost 18% since the middle of July, energy stocks, as encapsulated by the Energy Select Sector SPDR exchange-traded fund (XLE), have jumped more than 32% in the same time frame. Two main factors seem to be behind the divergence: 1) Energy earnings have been recovering, with the sector claiming the highest percentage of companies reporting earnings above estimates in the most recent quarter, according to Factset data, and 2) Brent crude has flipped into contango for the first time since December 2021.

Primary Topic: Energy

Topics: Energy

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