

Market Commentary

Recap: The oil markets were on a bit of a rollercoaster today. While the movement of Hurricane Delta across the Gulf of Mexico as a Category 2 or 3 hurricane and its approach to the Louisiana coast continued to provide underlying support to the market, the midday news that Norwegian oil workers strike had been settled, quickly caused some bulls to rush for the exits and take profits. WTI prices dropped over 80 cents in under a half hour. By the end of the day November WTI settled down 1.43% or 59 cents per barrel. For the week though the crude oil market finished up 9%.

Technical Analysis:

While the crude oil market posted its largest weekly trading range since mid-June, the market still appears unable to build any substantial momentum to break out of its sideways trading pattern. This seems reflected in today's price action as the November crude contract which had settled above both the 50 and 200 day moving averages yesterday, failed to post a second consecutive day settlement above these technical indicators, which would have been signaling a longer term upward trend for prices. We feel Monday will be a pivotal day for setting the direction of prices for next week. If the damage from Hurricane Delta to the Gulf Coast oil infrastructure is not extensive as some had feared this week, this market could see the current rally stall and drop back below the \$40.00 price level and challenge support at \$39.62, \$39.05 and \$38.48. But if there are reports of extensive damage we would expect prices to quickly challenge resistance at \$41.72 and then move upwards toward the \$43.00-\$44.00 price level.

Fundamental News: The Bureau of Safety and Environmental Enforcement reported that personnel have been evacuated from a total of 274 production platforms or 42.6% of the 643 manned platforms in the Gulf of Mexico due to Hurricane Delta. It estimates that 1,693,607 bpd of oil equivalent or 91.55% of the current oil production in the Gulf of Mexico has been shut in. It also estimates that 62.17% or 1,684.9 million cubic feet/day of natural gas production has been shut in.

U.S. energy firms this week added oil and natural gas rigs for a fourth consecutive week. Baker Hughes reported that the oil and gas rig count increased by 3 to 269 in the week ending October 9th. U.S. oil rigs increased by four to 193 this week, the highest level since early June, while gas rigs fell by one to 73.

Oil firms and labor officials in Norway agreed on a wage deal after meeting on Friday with a state-appointed mediator, ending a strike that threatened to cut the country's oil and gas production by about 25% next week. Six offshore fields were shut in on Monday and a further seven were scheduled to halt operations in the coming days.

IIR Energy said U.S. oil refiners are expected to shut in 4.4 million bpd of capacity offline in the week ending October 9th, decreasing available refining capacity by 52,000 bpd from the previous week.

President, Donald Trump, on Friday prepared to return to the campaign trail with a pair of weekend rallies after his COVID-19 diagnosis sidelined him for a week. President Trump said late on Thursday he was feeling "really good" and, with a doctor's blessing, aimed to campaign in Florida on Saturday and in Pennsylvania on Sunday.

White House economic adviser, Larry Kudlow, said President Trump has approved a revised stimulus package. Meanwhile, President Trump said that the COVID relief negotiations were moving along and urged negotiators to "go big". He said he wants to see a bigger COVID-19 aid deal than either Democrats or Republicans are offering. Later on Friday, U.S. House Speaker, Nancy Pelosi, and Treasury Secretary, Steven Mnuchin, failed to reach an agreement on a COVID-19 stimulus package.

Early Market Call - as of 8:40 AM EDT

WTI - Nov \$40.02, down 58 cents

RBOB - Nov \$1.1886, down 1.46 cents

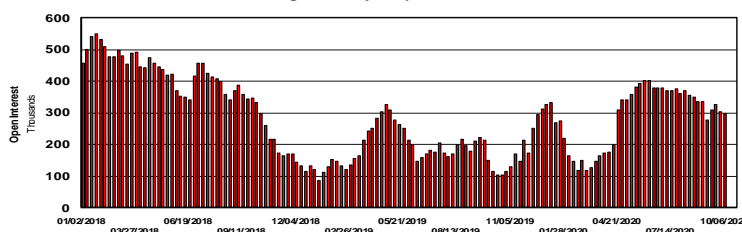
HO - Nov \$1.1741, down 1.92 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-20	\$1.1933	\$0.0010	-\$0.1083
Dec-20	\$1.2019	-\$0.0013	-\$0.1044
Jan-21	\$1.2144	-\$0.0022	-\$0.1022
Feb-21	\$1.2269	-\$0.0029	-\$0.0994
Mar-21	\$1.2372	-\$0.0033	-\$0.0966
Apr-21	\$1.2436	-\$0.0036	-\$0.0945
May-21	\$1.2531	-\$0.0037	-\$0.0932
Jun-21	\$1.2636	-\$0.0041	-\$0.0906
Jul-21	\$1.2773	-\$0.0044	-\$0.0873
Aug-21	\$1.2899	-\$0.0046	-\$0.0845
Sep-21	\$1.3024	-\$0.0047	-\$0.0825
Oct-21	\$1.3138	-\$0.0047	-\$0.0818
Nov-21	\$1.3236	-\$0.0049	-\$0.0812
Dec-21	\$1.3317	-\$0.0049	-\$0.0806
Jan-22	\$1.3421	-\$0.0050	-\$0.0794
Feb-22	\$1.3489	-\$0.0055	-\$0.0774
Mar-22	\$1.3521	-\$0.0058	-\$0.0751

		Close	Change
Crude - WTI	Dec Brent-WTI Spread	\$40.9100	-\$0.5600
Crude - Brent		\$42.8500	-\$0.4900
Natural Gas	\$1.94	\$2.7410	\$0.1140
Gasoline		\$1.2032	-\$0.0284

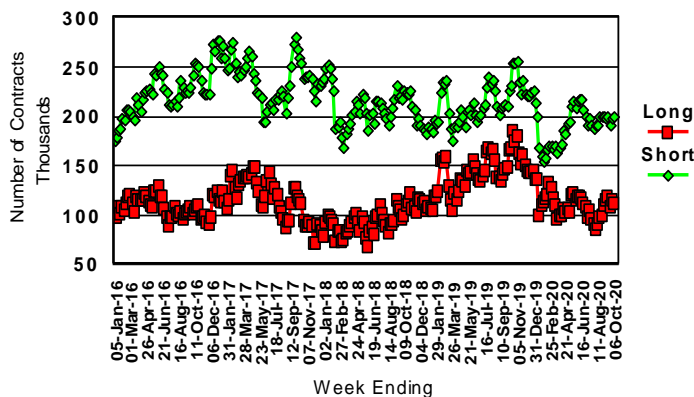
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending October 6, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

