

## Market Commentary

**Recap:** Oil prices slipped from four year highs on Thursday, following a tweet by U.S. President Donald Trump, calling on OPEC to “get prices down now.” November Brent tipped above \$80.00 a barrel, peaking the session at \$80.13, while November WTI broke above \$71.00 a barrel, to trade at a high of \$71.35. Trump’s tweet prompted traders to ease up on length, which pushed prices off the highs. Prices continue to be caught in a tug-of-war between supply concerns due to pending U.S. sanctions against Iran, and waning demand due to trade wars between China and the U.S. Prices gradually slipped throughout the session, pushing below unchanged. November WTI settled at \$70.32 a barrel, down 45 cents, or 0.6%, while Brent for November delivery fell 70 cents, or 0.9%, to settle at \$78.70 a barrel.

October RBOB fell 0.3% to \$2.015a gallon, while October heating oil declined 0.8% to \$2.228 a gallon.

**Fundamental News:** US President Donald Trump linked US support for Middle Eastern countries to oil prices on Thursday as he again urged OPEC to lower oil prices. He wrote on Twitter, “We protect the countries of the Middle East, they would not be safe for very long, without us, and yet they continue to push for higher and higher oil prices! We will remain. The OPEC monopoly must get prices down now!”

Iran said it will veto any OPEC decision that harms the country and warned that some oil producers are trying to create an alternative suppliers’ forum that supports US policies hostile to the government in Tehran. Iran’s Oil Minister, Bijan Namdar Zanganeh, said the agreement that OPEC and allied producers reached in 2016 to cut output is in tatters, and an OPEC committee set to meet this weekend in Algiers has no authority to impose a new supply arrangement.

Iran dismissed a US offer of negotiations on Thursday, saying Washington had violated the terms of the 2015 nuclear accord. The US special envoy for Iran, Brian Hook, said that the US wanted to negotiate a treaty that included Iran’s ballistic missile program and its regional behavior. Iran’s Foreign Minister, Mohammad Javad Zarif, took to twitter to dismiss the characterization of the last deal as a “personal agreement”, saying it was an international accord enshrined in a UN Security Council resolution.

Genscape reported that storage at Cushing, OK as of September 18<sup>th</sup> stood at 25,175,675 barrels, down 647,214 barrels from the previous week and off just 31,427 barrels from Friday September 14<sup>th</sup>.

The EPA received 11 petitions for small refinery exemptions to the biofuels blending program for 2018, which are all still pending. It granted 29 biofuels waivers for 2017, of 34 requests, with 5 still pending. The EPA said gasoline and diesel exempt from RFS in 2017 was 13.62 billion gallons compared with 7.84 billion in 2016. Separately, the EPA reported that the US generated 1.35 billion ethanol blending credits in August compared with 1.37 billion credits in July. The US generated 346 million biodiesel blending credits in August compared with 310 million in July.

Libyan state guards have closed the airport to the southwestern Wafa oilfield. Libya’s state oil firm NOC said the operator will be forced to shut down the field, which produces about 40,000 bpd of crude and condensates as well as 400 million cubic feet of natural gas should the closure continue. NOC said protesters were planning to “extort” Mellitah, the joint-venture between ENI and NOC running Wafa and other operations. Libya’s NOC later stated that it will resume flights to the Waha oilfield on Saturday after a protest of state guards ended.

**Early Market Call - as of 8:25 AM EDT**

WTI - Nov \$70.83, up 52 cents  
 RBOB - Oct \$2.0340, up 1.80 cents  
 HO - Oct \$2.2517, up 2.37 cents

## All NYMEX | Prior Settlements

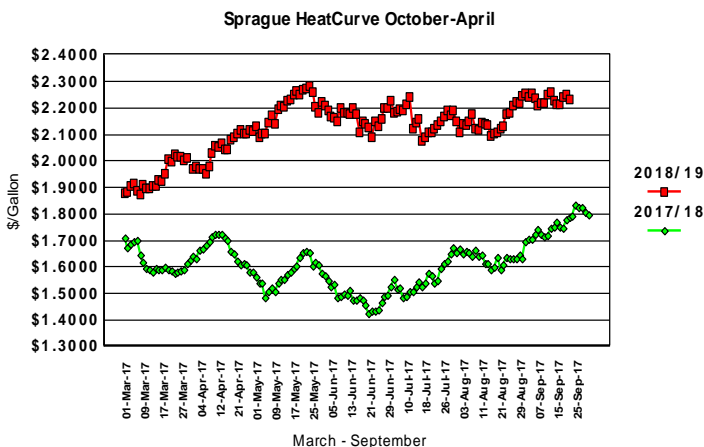
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-18	\$2.2280	-\$0.0186	\$0.0045
Nov-18	\$2.2321	-\$0.0179	\$0.0057
Dec-18	\$2.2364	-\$0.0170	\$0.0069
Jan-19	\$2.2399	-\$0.0169	\$0.0075
Feb-19	\$2.2379	-\$0.0168	\$0.0080
Mar-19	\$2.2303	-\$0.0166	\$0.0081
Apr-19	\$2.2191	-\$0.0168	\$0.0067
May-19	\$2.2128	-\$0.0165	\$0.0040
Jun-19	\$2.2085	-\$0.0160	\$0.0022
Jul-19	\$2.2109	-\$0.0158	\$0.0009
Aug-19	\$2.2161	-\$0.0157	-\$0.0003
Sep-19	\$2.2235	-\$0.0161	-\$0.0009
Oct-19	\$2.2310	-\$0.0166	-\$0.0014
Nov-19	\$2.2368	-\$0.0175	-\$0.0012
Dec-19	\$2.2433	-\$0.0184	-\$0.0010
Jan-20	\$2.2493	-\$0.0189	-\$0.0018
Feb-20	\$2.2520	-\$0.0190	-\$0.0022

Sprague HeatCurve Oct 2018-April 2019			\$2.2338
Other Front Month NYMEX		Close	Change
Crude - WTI	Nov Brent-	\$70.3200	-\$0.4500
Crude - Brent	WTI Spread	\$78.7000	-\$0.7000
Natural Gas	\$8.38	\$2.9760	\$0.0680
Gasoline		\$2.0146	-\$0.0061

### EIA Natural Gas Storage Report

	14-Sep-18	07-Sep-18	Change	Year Ago
East	709	679	30	830
Midwest	770	734	36	933
Mountain	170	166	4	211
Pacific	255	250	5	299
South Central	818	806	12	1,120
Salt	184	182	2	301
Nonsalt	635	624	11	819
Total	2,722	2,636	86	3,394

## Sprague HeatCurve Winter 2018/19



## ICE November WTI-Brent Spread

