

Market Commentary

Recap: Oil futures fell during most of Monday's session as pressure continues to mount on the Biden administration to release oil from the Strategic Petroleum Reserves and as Saudi Arabia and the UAE indicated that OPEC+ is going to continue with its current plan on output hikes. Strength in the U.S. dollar also added pressure. WTI swung to the upside just before the settlement period, as it is not yet known if the Biden administration will release oil from the SPR. December WTI added 9 cents, or .01%, to settle at \$80.88 a barrel, after trading as low as \$79.30. Brent for January delivery fell 12 cents, or .02%, to \$82.05 a barrel. December RBOB settled at \$2.329 a gallon, up nearly 0.8%, while December heating oil fell 0.2% to \$2.398 a gallon.

Technical Analysis: It appears that focus in the crude oil markets has shifted from concern about tight supplies to the possibility of more oil hitting the market and a rise in the number of COVID-19 cases as colder weather moves in. Europe has again become the epicenter of the COVID-19 pandemic, prompting some governments to consider re-imposing lockdowns, while China is battling the spread of its biggest outbreak caused by the Delta variant. With bearish new mounting and traders seemingly not alarmed, prices are likely to continue the downward move. However, if oil is released from the SPR, which would only be a temporary fix and as a result, prices could reverse right back to the upside. Despite the recent sell-off in this market, WTI has maintained itself above the \$80, showing signs of underlying buying. That being said, we would look for WTI to continue to hold its ground at this level, with a bounce toward \$85.

Fundamental News: Vitol's CEO, Russell Hardy, said any release of oil from the U.S. SPR would not dampen the market or change things fundamentally in terms of prices. He said demand is going to continue increasing into 2022. He said supply is not expected to grow significantly beyond OPEC. He said global oil market fundamentals will likely remain tight over the coming year as oil demand continues to build after having mostly fully recovered to 2019 pre-pandemic levels.

The President of exploration and production at Totalenergies said that demand for oil is likely to be sustained over the coming decade. Meanwhile, Mubadala Petroleum Chief Executive, Mansoor Mohamed Al Hamed, said he expects oil demand in 2024 to be 7% above levels seen in 2019. They were speaking on the sidelines of an industry event in Abu Dhabi.

OPEC Secretary General, Mohammad Barkindo, said that oil and gas were "targeted" for the first time at COP26 as having no place in the energy transition. He added that oil producers will have a lot of work to do.

Saudi Arabia, the UAE and Russia indicated that OPEC+ is going to continue with its current plan on output hikes. They signaled that OPEC+ will continue raising output cautiously and will not bow to U.S. pressure to increase its output quicker. Senior energy officials from Saudi Arabia and Russia said the oil market would soon become over-supplied. Russia's Deputy Energy Minister, Pavel Sorokin, said "everybody is predicting a surplus for supply starting from the first or second quarter."

UAE Energy Minister, Suhail al-Mazrouei, said that all indications point to an oil supply surplus in the first quarter of 2022 and that he expected OPEC+ would likely stick to current production policy when it next meets in early December. He stated that the OPEC+ commitment to increasing oil production by 400,000 bpd on a monthly basis contributes to market stability and balance.

IIR Energy reported that U.S. oil refiners are expected to shut in 487,000 bpd of capacity in the week ending November 19th, increasing available refining capacity by 643,000 bpd. Offline capacity is expected to decline to 325,000 bpd in the week ending November 26th.

Early Market Call - as of 9:30 AM EDT

WTI - Dec \$80.56, down 33 cents

RBOB - Dec \$2.3520, up 2.29 cents

HO - Dec \$2.4210, up 2.29 cents

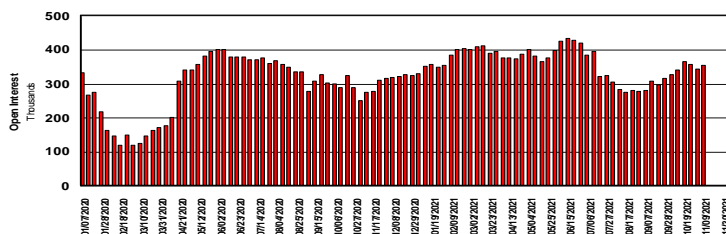
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-21	\$2.3981	-\$0.0056	-\$0.0690
Jan-22	\$2.3888	-\$0.0058	-\$0.0649
Feb-22	\$2.3716	-\$0.0050	-\$0.0594
Mar-22	\$2.3490	-\$0.0035	-\$0.0541
Apr-22	\$2.3218	-\$0.0019	-\$0.0485
May-22	\$2.3009	-\$0.0016	-\$0.0453
Jun-22	\$2.2870	-\$0.0012	-\$0.0438
Jul-22	\$2.2798	-\$0.0012	-\$0.0426
Aug-22	\$2.2746	-\$0.0009	-\$0.0409
Sep-22	\$2.2720	-\$0.0004	-\$0.0435
Oct-22	\$2.2710	\$0.0000	-\$0.0373
Nov-22	\$2.2703	\$0.0004	-\$0.0355
Dec-22	\$2.2686	\$0.0009	-\$0.0342
Jan-23	\$2.2653	\$0.0013	-\$0.0328
Feb-23	\$2.2544	\$0.0015	-\$0.0318
Mar-23	\$2.2381	\$0.0017	-\$0.0308
Apr-23	\$2.2184	\$0.0021	-\$0.0292

Settlements

		Close	Change
Crude - WTI	Jan Brent-WTI Spread	\$79.7500	\$0.0600
Crude - Brent		\$82.0500	-\$0.1200
Natural Gas	\$2.30	\$5.0170	\$0.2260
Gasoline		\$2.3288	\$0.0174

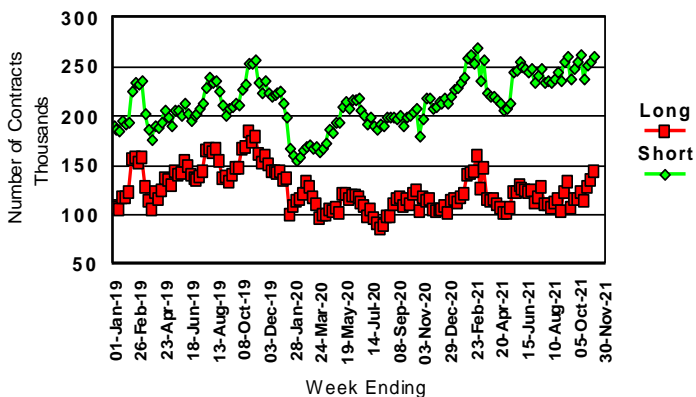
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending November 9, 2021

Producer/Merchant Heat Positions

CFTC Commitment of Traders Report



Managed Money Heat Positions

CFTC Commitment of Traders Report

