

Market Commentary

Recap: Oil prices retreated from their highest level in 7-weeks, pressured by rising production by the U.S. and OPEC and by renewed concern that the global trade war between China and the U.S. would hamper demand for oil. Despite the sell-off, WTI held near \$70.00 a barrel, held up by impending U.S. sanctions against Iran and slipping Venezuelan output. October WTI finished the week at \$69.80 a barrel, down 45 cents, or 0.64%, or a weekly gain of 1.5%. October Brent settled at \$77.42 a barrel, down 35 cents, or 0.45%, up 2% on the week.

October RBOB fell 1.2 cents to settle at \$1.9970 a gallon and September heating oil slipped 1.13 cents to settle at \$2.2431 a gallon.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil increased by 2 to 862 in the week ending August 31st.

The EIA reported that US crude oil production increased by 231,000 bpd or 2% to 10.674 million bpd in June. It revised its estimate for May up by 1,000 bpd to 10.4 million bpd. The gains reflected increasing production on land in Texas, where output increased 165,000 bpd or 3.9% to 4.4 million bpd. Output also increased in the Gulf of Mexico, increasing by 10.3% or 154,000 bpd to 1.7 million bpd.

Oil Movements reported that OPEC oil shipments are expected to increase by 280,000 bpd to 25.21 million bpd in the four week period ending September 15th compared with the period ending August 18th. Mideast shipments, including those from non-OPEC nations, Oman and Yemen, will increase by 850,000 bpd to 19.87 million bpd.

PDVSA is reassigning at least three vessels expected to load from a damaged Venezuelan dock to other loading points amid a partial outage expected to last almost four weeks. Four vessels were expected to load about 2.6 million barrels from Jose Offshore Oil Platform's south dock this week, with all cargoes going to US Gulf refiners.

An OPEC source stated that Saudi Arabia's oil production in August increased to 10.424 million bpd compared with 10.288 million bpd in July. Crude supply in August was 10.467 million bpd compared with 10.38 million bpd in July.

OPEC and its non-OPEC partners reported a 109% compliance rate with the group's output targets in July. In June, compliance was 121%.

According to Reuters, OPEC's oil output increased this month to a 2018 high as Libyan production recovered and Iraq's southern exports reached a record. OPEC produced 32.79 million bpd in August, up 220,000 bpd from July's revised level and the highest level this year. The largest increase in supplies this month came from Libya, whose output remains volatile due to unrest. The second largest increase came from Iraq. Saudi Arabia's oil production increased to 10.48 million bpd in August from 10.4 million bpd in July.

IIR Energy reported that US oil refiners are expected to shut in 606,000 bpd of capacity in the week ending August 31st, increasing available refining capacity by 37,000 bpd from the previous week. IIR expects offline capacity to fall to 210,000 bpd in the week ending September 7th and then increase to 486,000 bpd in the week ending September 14th.

According to Bloomberg, global refinery outages totaled 2.608 million bpd in the week ending August 30th.

Early Market Call - as of 8:45 AM EDT

WTI - Oct \$71.19, up \$1.39

RBOB - Oct \$2.0476, up 5.07 cents

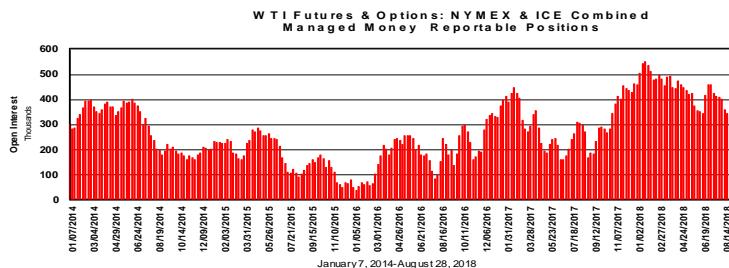
HO - Oct \$2.2992, up 5.60 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-18	\$2.2413	-\$0.0070	\$0.0391
Oct-18	\$2.2431	-\$0.0113	\$0.0353
Nov-18	\$2.2460	-\$0.0116	\$0.0347
Dec-18	\$2.2475	-\$0.0119	\$0.0344
Jan-19	\$2.2495	-\$0.0115	\$0.0336
Feb-19	\$2.2447	-\$0.0115	\$0.0319
Mar-19	\$2.2343	-\$0.0115	\$0.0300
Apr-19	\$2.2191	-\$0.0112	\$0.0296
May-19	\$2.2112	-\$0.0104	\$0.0298
Jun-19	\$2.2056	-\$0.0100	\$0.0303
Jul-19	\$2.2073	-\$0.0099	\$0.0297
Aug-19	\$2.2117	-\$0.0099	\$0.0289
Sep-19	\$2.2181	-\$0.0101	\$0.0274
Oct-19	\$2.2239	-\$0.0105	\$0.0268
Nov-19	\$2.2276	-\$0.0108	\$0.0252
Dec-19	\$2.2326	-\$0.0113	\$0.0239
Jan-20	\$2.2406	-\$0.0114	\$0.0215

Sprague HeatCurve Oct 2018-April 2019 **\$2.2424**

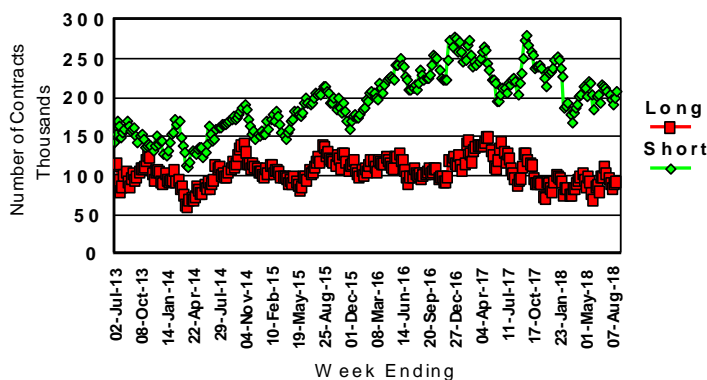
Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent-	\$69.3700	-\$0.4400
Crude - Brent	WTI Spread	\$77.4200	-\$0.3500
Natural Gas	\$8.05	\$2.9160	\$0.0420
Gasoline		\$2.1437	\$0.0002



Commitment of Traders Report for the Week Ending August 28, 2018

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

