

Market Commentary

Recap: Oil prices fell early on Thursday to their lowest level since early August as mounting evidence of a global economic slowdown and rising U.S. oil inventories more than offset all the price gains from last month's attack on Saudi oil infrastructure. November WTI fell \$1.65, or 3% to a low of \$50.99 a barrel by 10:08 a.m. EDT and December Brent slipped \$1.54, or 2.6%, to trade at \$56.15 a barrel. A mid-day rally ensued as the equity markets rebounded, taking November WTI to \$52.63, a penny shy of unchanged before settling at \$52.45 a barrel, down 19 cents, or .36%. December Brent traded above unchanged to a new session high of \$57.99 before settling at \$57.71 a barrel. November RBOB rose 0.7% to \$1.5559 a gallon, while November heating oil added 0.2% at \$1.876 a gallon.

Technical Analysis: Thursday's trading session saw follow-through trading to the downside, despite its break below the ascending trend line, November WTI failed to settle below it. Although moving oscillators are currently set in oversold territory, they do not appear ready to cross to the upside. Given this scenario, we would look for additional attempts to settle below the aforementioned trend line, with successful penetrations opening up the opportunity for a run at \$49.98. Resistance is set at \$53.65 and above that at \$55.91.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, October 1st fell by 1,156,677 barrels and by 580,121 barrels from Friday, September 27th to 42,613,203 barrels.

Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, said Saudi Arabia has fully restored oil output after attacks on its facilities last month and is now focused on the listing of Saudi Aramco. The country's oil production capacity now stands at 11.3 million bpd.

Russia's Deputy Energy Minister, Pavel Sorokin, said Russia has a spare oil production capacity of at least 500,000 bpd. He stated that Russia is able to start using the spare capacity within three months.

Data from Russia's Energy Ministry's statistics office, the Central Dispatching Unit, stated that Russia's oil output in September fell by 0.4% or 44,000 bpd on the month and 0.9% on the year to 11.25 million bpd but remained above its quota under the OPEC and non-OPEC production agreement. Russia's commitment under the agreement between OPEC and other producers obliges it to cut 230,000 bpd from its October 2018 output of 11.42 million bpd. The latest data showed Russian oil exports fell by 43,000 bpd on the month to 5.084 million bpd.

The Syncrude oil sands project in northern Alberta has cut October synthetic crude sales to customers by 1.4 million barrels because planned maintenance at the plant has been extended.

According to shipping fixtures and S&P Global Platts trade flow software cFlow, gasoline flows to Canada and the US from Northwest Europe in October were scheduled at 444,000 metric tons as of Wednesday. A total of 185,000 metric tons of gasoline departed from Northwest Europe during the past six days.

The Trump administration is expected to announce details on a US biofuels deal to help farmers by Friday. In August, President Trump promised a "giant package" related to ethanol after his administration granted 31 oil refiners exemptions to biofuel blending mandates.

Early Market Call - as of 9:05 AM EDT

WTI - Nov \$53.17, up 72 cents
 RBOB - Nov \$1.5836, up 2.74 cents
 HO - Nov \$1.9041, up 2.77 cents

All NYMEX | Prior Settlements

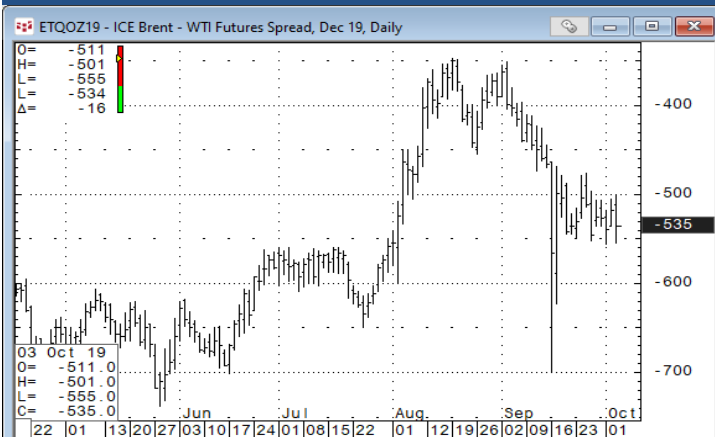
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-19	1.8760	0.0030	-0.0745
Nov-19	1.8635	0.0006	-0.0795
Dec-19	1.8502	-0.0009	-0.0837
Jan-20	1.8350	-0.0023	-0.0859
Feb-20	1.8163	-0.0033	-0.0860
Mar-20	1.7955	-0.0045	-0.0851
Apr-20	1.7829	-0.0054	-0.0827
May-20	1.7754	-0.0055	-0.0783
Jun-20	1.7750	-0.0056	-0.0747
Jul-20	1.7761	-0.0056	-0.0715
Aug-20	1.7779	-0.0060	-0.0699
Sep-20	1.7799	-0.0060	-0.0692
Oct-20	1.7818	-0.0061	-0.0687
Nov-20	1.7829	-0.0059	-0.0679
Dec-20	1.7850	-0.0057	-0.0674
Jan-21	1.7829	-0.0057	-0.0649
Feb-21	1.7763	-0.0057	-0.0619

Other Front Month NYMEX		Close	Change
Crude - WTI	Dec Brent-	\$52.3600	-\$0.1500
Crude - Brent	WTI Spread	\$57.7100	\$0.0200
Natural Gas	\$5.35	\$2.3290	\$0.0820
Gasoline		\$1.5559	\$0.0104

EIA Working Gas Storage Report

	27-Sep-19	20-Sep-19	Change	Year Ago
East	826	794	32	758
Midwest	973	934	39	831
Mountain	199	194	5	176
Pacific	291	286	5	262
South Central	1,029	998	31	826
Salt	220	207	13	180
Nonsalt	809	790	19	646
Total	3,317	3,205	112	2,852

ICE December Brent-WTI Spread



NYMEX November WTI

