

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices rose toward 6-week highs on Monday, supported by hopes that a preliminary U.S.-China trade deal would soon be reached. WTI traded at a session high of \$57.43 a barrel, its highest in more than a month as market optimism about progress in U.S.-China trade negotiations propelled U.S. stock indexes to record highs, helping to elevate oil. Brent topped the session at \$62.78 a barrel. December WTI finished the session trading at \$56.54 a barrel, up 34 cents, or 0.60%, while January Brent added 44 cents, or 0.71%, to settle at \$62.13 a barrel, its highest finish in 5 weeks. December RBOB finished up 0.5% at \$1.6637 a gallon and December heating oil up 0.4% at \$1.9405 a gallon.

Technical Analysis: Monday's trading session pushed WTI into a larger area of consolidation, with the December contract pushing through its 200-day moving average. At this point, we would look for prices to grind higher, working toward the \$60.00 mark. Resistance prior to \$60.00 is set at \$58.21. To the downside, support is seen at \$55.42 and below that at \$54.00.

Fundamental News: Iran's nuclear chief, Ali Akbar Salehi, said the country is launching a new array of 30 advanced IR-6 centrifuges on Monday, scaling back Iran's commitments under a nuclear agreement with major powers.

A spokesman for the U.S. Pipeline and Hazardous Materials Safety Administration said on Monday the precise source of the leak on TC Energy's Keystone oil pipeline has not been identified yet. There remains no estimated timeline for a restart of the 590,000 b/d crude oil pipeline which was shut down after the discovery of a 9,000 barrel leak last week.

Venezuela's oil exports eased in October, but surpassed 800,000 bpd for a second month in a row, helping to drain an inventory buildup that had forced the OPEC country to cut output, according to documents and data.

Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, November 1st increased by 1,765,525 barrels on the week and by 284,846 barrels from Tuesday, October 29th to 48,942,004 barrels.

Iran's Oil Minister, Bijan Zanganeh, said he expects further production cuts to be agreed at the next OPEC meeting in December.

Several units at Monroe Energy's 185,000 bpd Trainer refinery were up and running on Saturday and Sunday following a brief upset on Friday for ongoing maintenance. A 92,500 bpd crude distillation unit and a 26,000 bpd VDU resumed operations on Saturday evening following planned work that started on September 30th. A 50,000 bpd catalytic reformer resumed operations on Saturday morning following an upset on Friday. A 26,000 bpd diesel hydrotreater was restarted on Sunday afternoon following the upset. Meanwhile, a 23,000 bpd hydrocracker remains offline following an upset.

IIR Energy reported that US oil refiners are expected to shut in 1.29 million bpd of capacity in the week ending November 8th, increasing available refining capacity by 181,000 bpd on the week. Offline capacity is expected to fall to 931,000 bpd in the week ending November 15th.

Early Market Call - as of 9:00 AM EDT

WTI - Dec \$57.08, up 55 cents

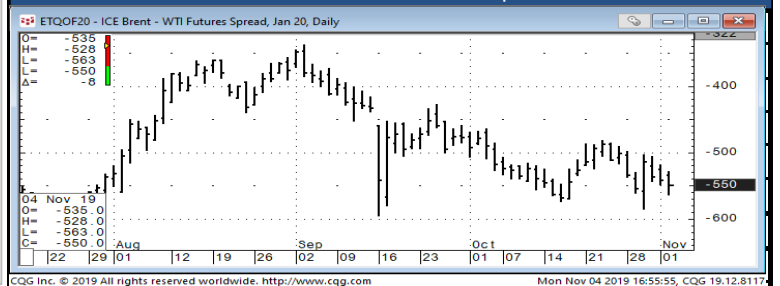
RBOB - Dec \$1.6764, up 1.24 cents

HO - Dec \$1.9509, up 1.06 cents

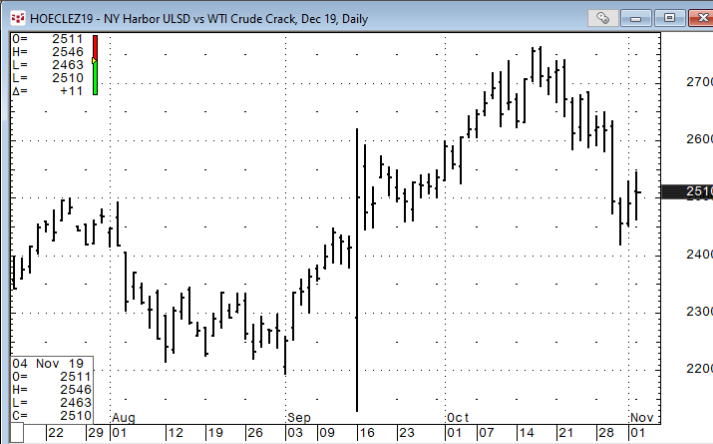
| Month | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Dec-19 | \$1.9405 | \$0.0074 | \$0.0132 |
| Jan-20 | \$1.9336 | \$0.0089 | \$0.0125 |
| Feb-20 | \$1.9227 | \$0.0099 | \$0.0286 |
| Mar-20 | \$1.9049 | \$0.0097 | \$0.0105 |
| Apr-20 | \$1.8830 | \$0.0091 | \$0.0114 |
| May-20 | \$1.8699 | \$0.0088 | \$0.0107 |
| Jun-20 | \$1.8620 | \$0.0083 | \$0.0101 |
| Jul-20 | \$1.8600 | \$0.0079 | \$0.0094 |
| Aug-20 | \$1.8597 | \$0.0075 | \$0.0089 |
| Sep-20 | \$1.8612 | \$0.0074 | \$0.0083 |
| Oct-20 | \$1.8630 | \$0.0072 | \$0.0082 |
| Nov-20 | \$1.8647 | \$0.0071 | \$0.0084 |
| Dec-20 | \$1.8659 | \$0.0069 | \$0.0081 |
| Jan-21 | \$1.8669 | \$0.0067 | \$0.0070 |
| Feb-21 | \$1.8619 | \$0.0062 | \$0.0066 |
| Mar-21 | \$1.8514 | \$0.0057 | \$0.0067 |
| Apr-21 | \$1.8339 | \$0.0052 | \$0.0072 |

| Other Front Month NYMEX | | Close | Change |
|-------------------------|------------|-----------|----------|
| Crude - WTI | Jan Brent- | \$56.5400 | \$0.3400 |
| Crude - Brent | WTI Spread | \$62.1300 | \$0.4400 |
| Natural Gas | \$5.59 | \$2.8210 | \$0.1070 |
| Gasoline | | \$1.6637 | \$0.0080 |

ICE December Brent-WTI Spread



December Heating Oil Crack Spread



December RBOB Crack Spread

