

Market Commentary

Recap: Oil futures extend gains as commodity prices rise amid a weakening of the dollar. WTI crude is up 2.6% to \$89.10 a barrel. Concerns about global demand remain as central banks slam the breaks to cool inflation, while investors watch for possible OPEC+ production cuts. While the focus may be on the demand side at the minute, one should not ignore OPEC+ and its recent warnings about volatile price action and its disconnect with fundamentals. The recovery in the price may be supported by that, alongside a broader improvement in risk appetite in the markets and a weaker dollar. WTI crude for October delivery gained 99 cents per barrel, or 1.14% to \$87.78 while November Brent gained \$1.16 per barrel, or 1.25% to \$94.00. Both WTI and Brent were up for three consecutive sessions. RBOB Gasoline for October delivery gained 1.17 cents per gallon, or 0.48% to \$2.4448. October heating oil gained 2.44 cents per gallon, or 0.68% to \$3.6031.

Technical Analysis: WTI continued to pull away from \$80, a strong psychological level of support. Crude oil prices are currently trading at key technical levels that will likely continue to contribute to both the short and longer-term move. Both WTI and Brent futures have recently rebounded off of critical support, with the downward path reaching a critical point and possibly being jeopardized. For now and with the front month WTI trading between \$80 and \$90, both bulls and bears appear sidelined. A break to the upside will shift the short-term downward trend, with a push above \$100 putting this market in a position to test the June highs. A break below \$80 opens up this market for a run toward \$60.

Fundamental News: According to the Department of Energy, crude inventory in the U.S. SPR fell by 8.4 million barrels in the week ending September 9th to 434.1 million barrels. The 8.4 million barrel draw from the SPR was the steepest draw since May and brings the stockpile to its lowest level since October 1984.

Iran said it was ready to continue cooperating with the U.N.'s IAEA while revealing a drone capable of hitting major cities in Israel, which has threatened to attack Iranian nuclear sites if diplomacy fails to save a 2015 nuclear pact. Speaking after European powers expressed frustration with Tehran's intentions to salvage the agreement, Iranian Foreign Ministry spokesman, Nasser Kanaani, urged the IAEA "not to yield to Israel's pressure" over Tehran's nuclear activities. He called Saturday's European statement "unconstructive". On Saturday, France, Britain and Germany said they had "serious doubts" about Iran's intentions to revive a deal curbing its nuclear program in return for a lifting of sanctions, comments that were rejected by Tehran and called "very untimely" by Moscow. On Monday, the IAEA's Board of Governors is meeting, three months after adopting a resolution urging Iran to give credible answers to the agency's investigations into uranium traces at three sites in Iran. Iran says the probes are politically motivated. The IAEA Director General, Rafael Grossi, said "The information gas is bigger and bigger." He added that he still expects Iran to cooperate in his inquiry. Even if Iran and world power manage to clear the final hurdles toward reviving the accord, the IAEA's head warned the amount of time his inspectors will need to verify compliance has grown.

IIR Energy reported that U.S. oil refiners are expected to shut in about 598,000 bpd of capacity in the week ending September 16th, cutting available refining capacity by 234,000 bpd. Offline capacity is expected to increase to 990,000 bpd in the week ending September 23rd.

Colonial Pipeline Co is allocating space for Cycle 53 shipments on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina.

Early Market Call - as of 8:30 AM EDT

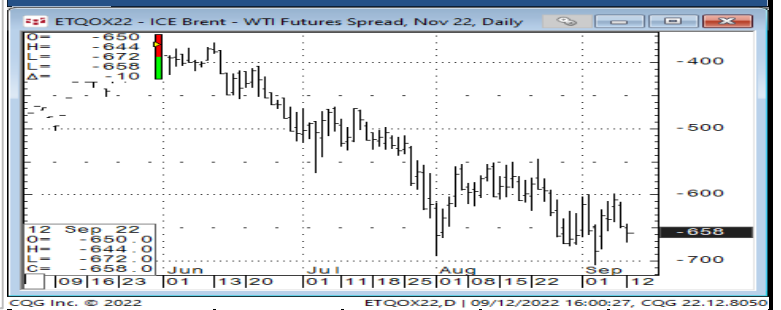
WTI - October \$88.28, up 50 cents
 RBOB - October \$2.4819, up 3.3 cents
 HO - October \$3.6090, up 82 points

All NYMEX | Prior Settlements

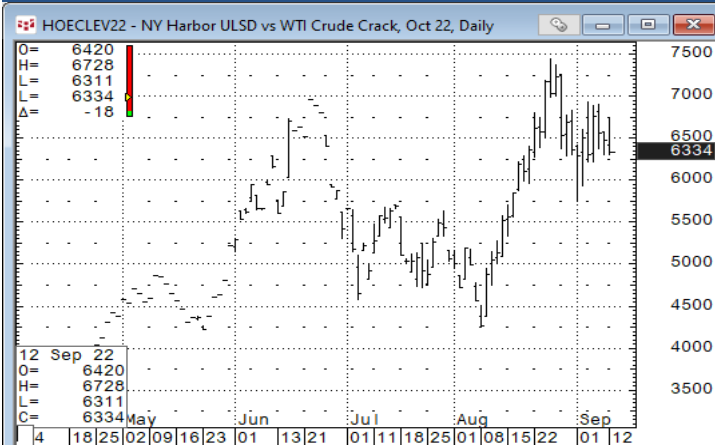
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-22	3.6031	0.0244	0.0251
Nov-22	3.5459	0.0275	0.0347
Dec-22	3.4822	0.0289	0.0408
Jan-23	3.4224	0.0321	0.047
Feb-23	3.3556	0.0362	0.0546
Mar-23	3.2754	0.0368	0.0603
Apr-23	3.1852	0.0367	0.0645
May-23	3.1118	0.0358	0.0661
Jun-23	3.0539	0.0335	0.0635
Jul-23	3.0177	0.0313	0.0609
Aug-23	2.9888	0.0301	0.0597
Sep-23	2.9635	0.0304	0.0605
Oct-23	2.9409	0.0307	0.0612
Nov-23	2.9195	0.0312	0.0612
Dec-23	2.8986	0.0311	0.0612
Jan-24	2.8765	0.0306	0.0606
Feb-24	2.862	0.0301	0.0591

Sprague HeatCurve October 2022-April 2023			\$3.4039
		Close	Change
Crude - WTI	Nov Brent-	\$87.4100	\$1.0500
Crude - Brent	WTI Spread	\$94.0000	\$1.1600
Natural Gas	\$6.59	\$8.2490	\$0.2530
Gasoline		\$2.4448	\$0.0117

ICE November Brent-WTI Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

