

Market Commentary

Recap: The crude market looked ready to post an inside trading day on Friday as it remained supported amid the concerns over supply and the escalating Middle East tensions. However, the market gave up its gains and breached its previous low ahead of the October crude contract's expiration at the close. The market was supported amid reports that Saudi Aramco switched crude grades and delayed crude and oil product deliveries to customers by about 7-10 days after the attack on its oil infrastructure cut its light oil production and led to output cuts at its refineries. The crude market posted a high of \$59.10 and held support at its previous low of \$58.01 for much of the day. However, the market breached its low and sold off to \$57.79 as traders liquidated their October positions ahead of its expiration. The October WTI contract settled at \$58.09, down 4 cents, while the November WTI contract also settled at \$58.09, down 10 cents. November Brent settled down 12 cents at \$64.28. Meanwhile, the product markets ended in negative territory, with the heating oil market settling down 1.86 cents at \$1.9863 and the RBOB market settling down 2.23 cents at \$1.6784.

Technical Analysis: The oil market is seen trading sideways as the market continues to hold support above its remaining gap. The market will remain cautious amid the rising Middle East tensions. Technically, support is seen at \$57.93, followed by \$57.58, where it would start backfilling its gap to \$55.61. Meanwhile, resistance is seen at its high of \$59.24, \$59.49, \$59.99, \$60.74 and \$61.48.

Fundamental News: US President, Donald Trump, announced that the US is imposing sanctions on Iran's national bank. US Treasury Secretary, Steven Mnuchin, said the bank was Iran's last source of funds. Separately, President Trump told reporters that the US is making a lot of progress with China, as two of the world's largest economies work towards resolving their protracted trade dispute.

Saudi Aramco is confident that full production will resume by the end of September from Khurais, one of two oil sites attacked about a week ago. Saudi Aramco brought back 2 million bpd of oil output at the facility within 48 hours of the incident.

Saudi Aramco has switched crude grades and delayed crude and oil product deliveries to customers by days following the weekend attacks on its oil infrastructure that reduced its light oil production and led to output cuts at its refineries. Crude oil loading delays were widespread as most buyers have received Aramco's request to push back shipments in October by 7-10 days.

Saudi Aramco has booked at least 120,000 tons of naphtha for September loading from Europe in a rare move as it seeks to fill a supply gap following the attack on its oil facilities.

IIR Energy reported that US oil refiners are expected to shut in 1.14 million bpd of capacity in the week ending September 20th, cutting available refining capacity by 198,000 bpd from the previous week. Offline capacity is expected to increase to 1.45 million bpd in the week ending September 27th and to 1.47 million bpd in the week ending October 4th.

East Texas refineries shut key units on Thursday night and cut production after Tropical Storm Imelda brought days of heavy rain over the region. Exxon Mobil Corp shut a 240,000 bpd crude distillation unit at its 369,024 bpd Beaumont, Texas refinery on Thursday night.

Meanwhile, a 75,000 bpd crude distillation unit and associated 48,000 bpd VDU at Valero's 395,000 bpd Port Arthur, Texas refinery were shut on Thursday evening. Late Friday morning, Valero was preparing to resume production at the small crude distillation unit. Meanwhile, its 268,000 bpd crude distillation unit was cut to a minimum after it suffered a malfunction. Production was also cut at Total's 225,500 bpd Port Arthur, Texas refinery as flooding on area roads also prevented sulfur removal.

Early Market Call - as of 9:10 AM EDT

WTI - Oct \$58.30, up 21 cents

RBOB - Oct \$1.6742, down 44 points

HO - Oct \$1.9920, up 60 points

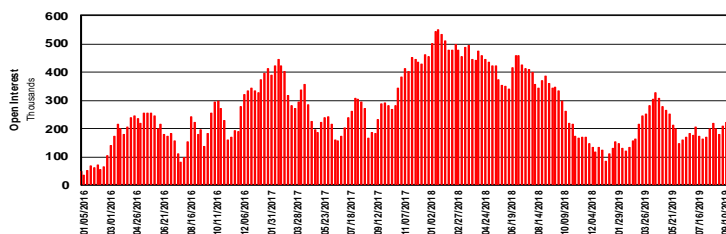
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-19	1.9863	-0.0186	0.1085
Nov-19	1.9820	-0.0174	0.1051
Dec-19	1.9757	-0.0156	0.1010
Jan-20	1.9671	-0.0140	0.0957
Feb-20	1.9533	-0.0128	0.0911
Mar-20	1.9347	-0.0113	0.0867
Apr-20	1.9135	-0.0101	0.0818
May-20	1.8987	-0.0088	0.0773
Jun-20	1.8859	-0.0077	0.0716
Jul-20	1.8805	-0.0068	0.0658
Aug-20	1.8770	-0.0061	0.0609
Sep-20	1.8754	-0.0053	0.0575
Oct-20	1.8743	-0.0054	0.0549
Nov-20	1.8746	-0.0058	0.0536
Dec-20	1.8752	-0.0059	0.0539
Jan-21	1.8760	-0.0058	0.0528
Feb-21	1.8694	-0.0055	0.0506

Sprague HeatCurve Oct 2019-Apr 2020 \$1.9594

Other Front Month NYMEX		Close	Change
Crude - WTI	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;"> Nov Brent-WTI Spread \$6.19 </div>	\$58.0900	-\$0.1000
Crude - Brent		\$64.2800	-\$0.1200
Natural Gas		\$2.5340	-\$0.0040
Gasoline		\$1.6784	-\$0.0223

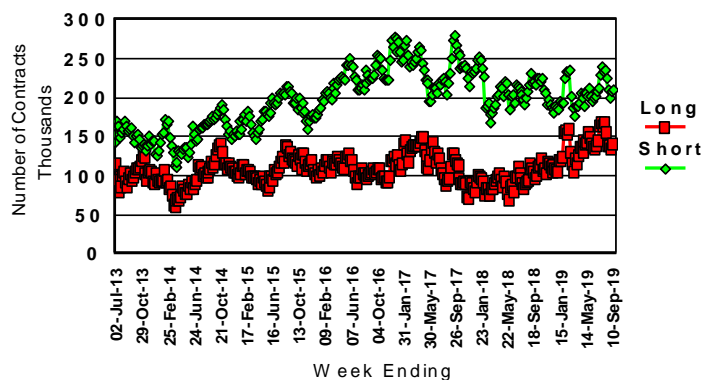
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 17, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

