

Market Commentary

Recap: Oil prices turned softer on Friday as energy companies in the U.S. Gulf of Mexico restarted after back-to-back hurricanes in the region shut output. As of Thursday, about 28% of U.S. Gulf of Mexico crude production remained offline, two-and-a-half weeks after Hurricane Ida hit. Friday's selloff followed five straight sessions of gains for Brent and three straight sessions of gains for WTI. However, both Brent and WTI posted weekly gains. Gains were also trimmed as the U.S. dollar climbed to a three-week high. October WTI fell 64 cents, or 0.9%, to settle at \$71.97 a barrel, while November Brent lost 33 cents, or 0.4%, to settle at \$75.34. October RBOB shed nearly 0.5% to \$2.17 a gallon, ending 0.8% higher on the week, while October heating oil lost about 0.1% to \$2.21 a gallon, marking a weekly gain of 2.9%.

Technical Analysis: WTI has held above the \$71 level, showing signs of resilience. Coming into next week, we would look for prices to continue to work higher, and head toward the \$74. To the downside, the \$70 level underneath would be supportive, and would look for buyers on dips down to this level. A break below the 50 day SMA underneath, currently set at \$69.52, will most certainly call out some further sellers.

Fundamental News: U.S. energy firms this week added oil and natural gas rigs for a second consecutive week although the number of offshore units in the Gulf of Mexico remained unchanged after Hurricane Ida slammed into the coast over two weeks ago. Baker Hughes Co said fourteen offshore Gulf of Mexico rig shut two weeks ago due to Ida remained shut. Last week, four of those offshore rigs returned to service. It reported that the oil and gas rig count increased by nine to 512 in the week ending September 17th, its highest since April 2020. U.S. oil rigs increased by 10 to 411 this week, their highest since April 2020, while gas rigs fell by one to 100.

According to the Bureau of Safety and Environmental Enforcement, energy companies kept 23% of U.S. Gulf of Mexico crude oil production shut, or 422,078 bpd on Friday, down from 513,878 bpd on Thursday. Oil and gas companies still had 41 offshore facilities evacuated and 34% of the Gulf's natural gas offshore production shut-in following the storm. A total of 765.5 bcf of natural gas was still shut in on Friday, down from 878.6 bcf on Thursday.

Royal Dutch Shell's Peridido offshore oil platform resumed operations after it was shut in due to Hurricane Nicholas.

Equinor is still working to bring its Titan platform in the Gulf of Mexico back into operations after it was shut down due to Hurricane Ida.

North Dakota's Industrial Commission reported that oil production in the state fell by 56,000 bpd to 1.078 million bpd in July. Bakken and Three Forks oil production stood at 1.037 million bpd in July.

According to Refinitiv, Northwest European gasoline exports to the United States stood at 331,500 tons this week, broadly stable from last week. September's gasoline transatlantic export volumes were pegged at about 1.07 million tons, slightly down from August's 1.22 million tons.

Early Market Call - as of 8:30 AM EDT

WTI - Oct \$70.06, down \$1.91

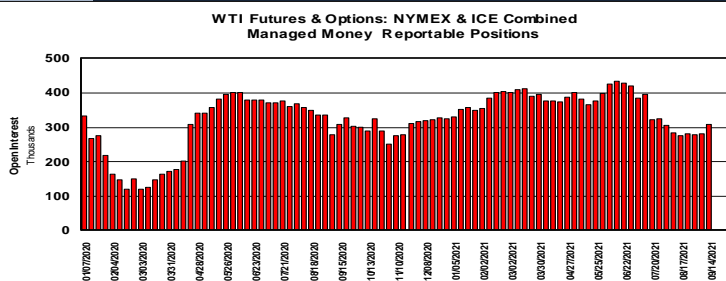
RBOB - Oct \$2.1174, down 5.39 cents

HO - Oct \$2.1556, down 5.35 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-21	\$2.2091	-\$0.0019	\$0.0631
Nov-21	\$2.2064	-\$0.0026	\$0.0628
Dec-21	\$2.1997	-\$0.0041	\$0.0601
Jan-22	\$2.1912	-\$0.0056	\$0.0568
Feb-22	\$2.1780	-\$0.0070	\$0.0523
Mar-22	\$2.1593	-\$0.0081	\$0.0479
Apr-22	\$2.1379	-\$0.0089	\$0.0448
May-22	\$2.1236	-\$0.0095	\$0.0424
Jun-22	\$2.1132	-\$0.0091	\$0.0408
Jul-22	\$2.1091	-\$0.0088	\$0.0390
Aug-22	\$2.1067	-\$0.0086	\$0.0373
Sep-22	\$2.1055	-\$0.0086	\$0.0361
Oct-22	\$2.1053	-\$0.0086	\$0.0344
Nov-22	\$2.1044	-\$0.0085	\$0.0332
Dec-22	\$2.1020	-\$0.0085	\$0.0319
Jan-23	\$2.0997	-\$0.0086	\$0.0305
Feb-23	\$2.0919	-\$0.0087	\$0.0291

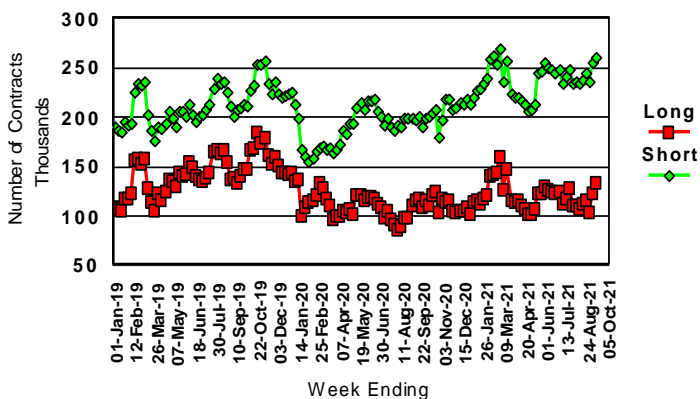
Sprague HeatCurve October 2021-April 2022		\$2.1836
	Close	Change
Crude - WTI	\$71.8200	-\$0.5500
Crude - Brent	\$75.3400	-\$0.3300
Natural Gas	\$5.1050	\$0.2300
Gasoline	\$2.1713	-\$0.0099



Commitment of Traders Report for the Week Ending September 14, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

