

Market Commentary

Recap: Oil futures were unable to sustain late morning gains, as attention once again turned to the global increase in the number of coronavirus cases and its impact on demand and economic growth, while traders await the results of the U.S. presidential election. December WTI slipped back below \$3, to a session low of \$38.27 before paring losses for a settlement at \$38.79 a barrel, down 36 cents, or 0.92%. Based on the most active contract, WTI is up more than 8% week to date. January Brent shed 30 cents, or 0.7%, to settle at \$40.93 a barrel. Today's lower move ended three straight sessions of gains. December RBOB added 0.7%, to \$1.1159 a gallon, while December heating oil lost 0.3% to \$1.1696 a gallon.

Technical Analysis: December WTI bounced off of \$38.28, the current 10-day moving average, as it struggles to regain traction above the 50-day moving average. Despite inching lower on Thursday, WTI remains near a two week high. In the short term, we expect oil to trade in a range of \$35 to \$42. A break above \$42 allows for a push toward \$44, with breaks below \$35 opening for a run at \$33.64. As there is currently no concrete demand for oil and a lack of economic stimulus, crude oil will continue to struggle to the upside and therefore, selling on signs of weakness remains our mantra.

Fundamental News: Official SOMO data showed that Iraq's oil production in October, including flows from the semi-autonomous Kurdish region, increased 6.7% on the month to 3.842 million bpd from 3.6 million bpd in September its quota of 3.804 million bpd. Production from the federal government's fields reached 3.396 million bpd in October, while output from the Kurdish region averaged 446,000 bpd. Total exports in October increased by 8% to 3.292 million bpd, up from 3.05 million bpd in September, while the Kurdish region exported 416,000 bpd in October, down 4.8% from 437,000 bpd in September. An attack on the Kurdish region's export pipeline to Turkey's port of Ceyhan halted exports on October 28th and exports have yet to resume.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp storage terminal in the week ending November 5th fell by 7.63% on the week but increased by 33.46% on the year to 1.077 million tons, while gasoil stocks increased by 4.38% on the week and by 4.62% on the year to 2.672 million tons and fuel oil stocks fell by 1.53% on the week but increased by 21.93% on the year to 1.351 million tons. Naphtha stocks increased by 3.19% on the week and by 44.24% on the year to 388,000 tons while jet fuel stocks increased by 3.68% on the week and by 62.9% on the year to 1.212 million tons.

Energy Transfer said it plans to complete work on its Mariner East 2X natural gas liquids pipeline in Pennsylvania by the end of the year and the final phase of the Mariner East projects in the second quarter of 2021. It said it will use part of the eight-inch Mariner East 1 pipe for its new Pennsylvania Access project to bring refined products from the Midwest into Pennsylvania. Mariner East 2 increased total capacity of the system from 70,000 bpd to 345,000 bpd. The Mariner East 2X will add another 250,000 bpd to the system.

The U.S. Labor Department reported that the number of initial unemployment benefit claims fell slightly to a seasonally adjusted 751,000 in the week ending October 31st, compared with 758,000 in the previous week. The four week moving average of claims fell to 787,000 from 791,000 in the previous week. The Labor Department also reported that the number of continuing unemployment benefit claims fell to 7.285 million in the week ending October 24th from 7.823 million in the previous week.

Early Market Call - as of 8:25 AM EDT
WTI - Dec \$37.64, down \$1.15
RBOB - Dec \$1.0901, down 2.58 cents
HO - Dec \$1.1440, down 2.56 cents

All NYMEX | Prior Settlements

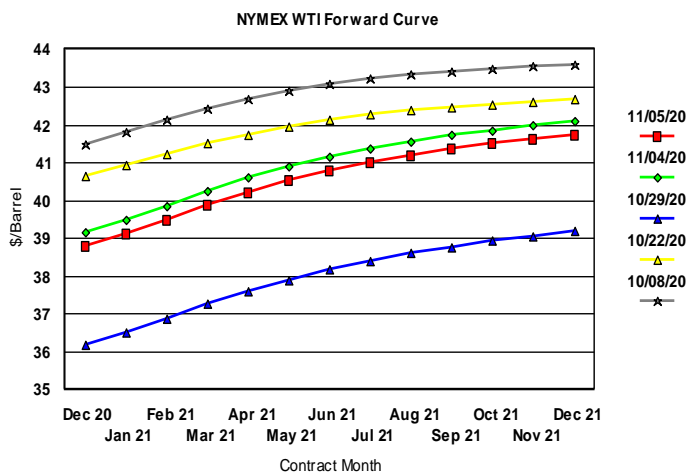
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-20	\$1.1696	-\$0.0039	-\$0.0827
Jan-21	\$1.1790	-\$0.0030	-\$0.0857
Feb-21	\$1.1880	-\$0.0036	-\$0.0864
Mar-21	\$1.1961	-\$0.0039	-\$0.0855
Apr-21	\$1.2016	-\$0.0044	-\$0.0840
May-21	\$1.2110	-\$0.0052	-\$0.0819
Jun-21	\$1.2216	-\$0.0062	-\$0.0800
Jul-21	\$1.2334	-\$0.0066	-\$0.0783
Aug-21	\$1.2449	-\$0.0068	-\$0.0769
Sep-21	\$1.2568	-\$0.0071	-\$0.0754
Oct-21	\$1.2686	-\$0.0074	-\$0.0745
Nov-21	\$1.2800	-\$0.0077	-\$0.0740
Dec-21	\$1.2894	-\$0.0083	-\$0.0734
Jan-22	\$1.3007	-\$0.0085	-\$0.0730
Feb-22	\$1.3085	-\$0.0087	-\$0.0724
Mar-22	\$1.3121	-\$0.0088	-\$0.0720
Apr-22	\$1.3118	-\$0.0084	-\$0.0718

		Close	Change
Crude - WTI	Jan Brent-	\$39.1100	-\$0.3600
Crude - Brent	WTI Spread	\$40.9300	-\$0.3000
Natural Gas	\$1.82	\$2.9420	-\$0.1040
Gasoline		\$1.1159	\$0.0078

EIA Working Gas Storage Report

	30-Oct-20	23-Oct-20	Change	Year Ago
East	947	941	6	927
Midwest	1,119	1,118	1	1,105
Mountain	240	245	-5	208
Pacific	320	323	-3	294
South Central	1,293	1,329	-36	1,186
Salt	348	360	-12	300
Nonsalt	945	968	-23	886
Total	3,919	3,955	-36	3,719

WTI Forward Curve



ICE January Brent-WTI Spread

