

## Market Commentary

**Recap:** Oil prices gained early in the session, getting a boost from a weaker dollar and healthy U.S. demand. However, these early gains were short-lived, as traders turned their focus to emerging markets and trade wars between China and the U.S.; as a new round of tariffs draw near. A second wave of pressure came after the release of the EIA report, which showed builds in both U.S. gasoline and distillate stockpiles. Gasoline inventories grew by 1.8 million. A 1.2 million barrel draw was expected. Stockpiles for distillates increased 3.1 million versus expectations for a 300,000 barrel increase. Although crude oil inventories fell 4.3 million barrels, the product numbers overshadow this figure. October WTI fell as much as 2.5% before paring losses for a settlement of \$67.77 a barrel, down 95 cents, or 1.35%. Brent for November delivery lost 77 cents, or 1%, to settle at \$76.50.

October RBOB shed 0.7% to settle at \$1.951 a gallon, while October heating oil lost 1.1% to \$2.209 a gallon.

**Fundamental News:** Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, September 4<sup>th</sup> increased by 876,049 barrels on the week and by 229,628 barrels from Friday, August 31<sup>st</sup> to 27,653,938 barrels.

The US Bureau of Safety and Environmental Enforcement said crude oil and natural gas production in the US Gulf of Mexico was recovering after the passage of Tropical Storm Gordon. It said 5.62% of daily offshore crude oil production and 5.59% of natural gas output remained shut in the Gulf of Mexico on Thursday. Shut in oil production on Wednesday was 9.36% and offline natural gas output was 10.39%.

Thomson Reuters reported that US imports of crude oil from Saudi Arabia in August and September are expected to reach the highest two-month level since early 2017, as refiners take advantage of lower prices. The influx of Saudi crude has been driven in part by the Trump administration's efforts to bring back oil-export sanctions on Iran, shifting global flows. Saudi crude deliveries to the US in September are expected to reach 940,700 bpd in addition to the 1.03 million bpd that arrived in August. Twenty-three oil tankers carrying Saudi crude are scheduled to arrive in the US from Thursday to mid-October, carrying a combined 41.5 million barrels. The majority of the crude is destined for the US Gulf Coast and West Coast ports.

PJK reported Thursday that gasoline stocks at Europe's ARA hub rose this week by 113,000 tonnes to stand at 870,000 tonnes. Meanwhile gasoil stocks increased by 102,000 tonnes on the week and were at 2.543 million tonnes.

According to S&P Global Platts, OPEC crude oil production in August, excluding newest member Congo, increased to a 10-month high or 32.57 million bpd. Meanwhile, the 15 members of OPEC produced 32.89 million bpd in the month. The 12 OPEC members with firm quotas, excluding Libya, Nigeria and Congo, achieved 115% compliance in August.

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**Early Market Call - as of 8:00 AM EDT**

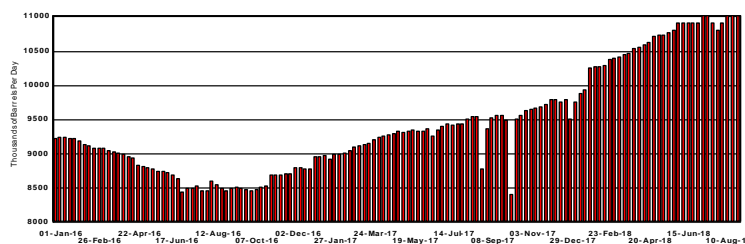
WTI - Oct \$67.85, up 9 cents  
 RBOB - Oct \$1.9599, up 86 points  
 HO - Oct \$2.2132, up 40 points

## All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-18	\$2.2091	-\$0.0254	-\$0.0453
Nov-18	\$2.2374	-\$0.0196	-\$0.0145
Dec-18	\$2.2393	-\$0.0190	-\$0.0135
Jan-19	\$2.2418	-\$0.0184	-\$0.0124
Feb-19	\$2.2376	-\$0.0182	-\$0.0117
Mar-19	\$2.2277	-\$0.0178	-\$0.0107
Apr-19	\$2.2128	-\$0.0169	-\$0.0089
May-19	\$2.2045	-\$0.0169	-\$0.0074
Jun-19	\$2.1992	-\$0.0158	-\$0.0059
Jul-19	\$2.2010	-\$0.0156	-\$0.0053
Aug-19	\$2.2061	-\$0.0154	-\$0.0043
Sep-19	\$2.2130	-\$0.0152	-\$0.0040
Oct-19	\$2.2196	-\$0.0152	-\$0.0034
Nov-19	\$2.2240	-\$0.0152	-\$0.0029
Dec-19	\$2.2298	-\$0.0138	-\$0.0037
Jan-20	\$2.2377	-\$0.0139	-\$0.0039
Feb-20	\$2.2411	-\$0.0139	-\$0.0041

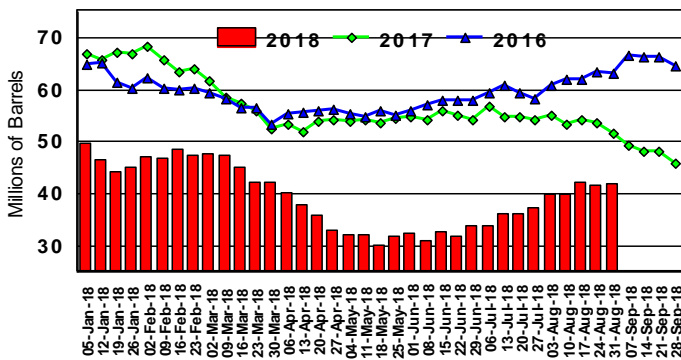
Sprague HeatCurve Oct 2018-April 2019			\$2.2100
Other Front Month NYMEX	Close	Change	
Crude - WTI	Nov Brent-	} \$67.5200	-\$0.9000
Crude - Brent	WTI Spread		\$76.5000
Natural Gas	\$8.98	\$2.7720	-\$0.0230
Gasoline		\$1.9510	-\$0.0138

### U.S. Domestic Crude Production



## EIA Weekly Petroleum Status Report for the Week Ending August 31, 2018

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 4.302 million barrels  
 Cushing, OK Crude Stocks Up 549,000 barrels  
**Gasoline Stocks** Up 1.845 million barrels  
**Distillate Stocks** Up 3.119 million barrels  
**Refinery % Operated** 96.6%, Up 0.3%

#### PADD #1

Distillate Stocks (in million bbls)	Week Ending Aug 31, 2018	Week Ending Aug 24, 2018	Week Ending Sep 1, 2017
New England	6.3	6.1	8.9
Central Atlantic	24.1	23.8	31.2
Total PADD #1	41.7	41.6	51.7
Distillate Imports (thousands b/d)	178	243	108