

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** Oil futures reversed early losses on Friday, garnering support on expectations that the Organization of the Petroleum Exporting Countries, Russia and their allies, known as OPEC+, would maintain production cuts. Prices have been pressured since Wednesday by a report that U.S. crude stocks rose by 4.3 million barrels in the latest week. Iran has said talks on reviving the international deal on its nuclear program will restart by the end of November, bringing it a step closer to boosting oil exports. Although oil futures gained on the day, U.S. oil prices ended a streak of nine consecutive gains, the longest on record. WTI for December delivery rose 76 cents, or 0.9%, to \$83.57 a barrel, but down 0.2% on the week. December Brent crude tacked on 6 cents, or nearly 0.1%, at \$84.38 a barrel. The front-month contract, which expired at the end of the session, fell 1.3% for the week, but climbed 7.5% for the month. January Brent, the most actively traded contract, rose 6 cents, or almost 0.1%, to \$83.72 a barrel. Futures for the petroleum products finished Friday on a mixed note, with the November contracts expiring at the end of the session. November gasoline added 1.1% to \$2.462 a gallon, down 0.8% for the week, but up over 9% for the month. November heating oil fell 0.8% at \$2.496 a gallon, ending 1.7% lower for the week, but notching a monthly climb of 6.6%.

**Technical Analysis:** Crude oil futures continue to find buyers on dips, as the longer term outlook for this market remains bullish. The \$85 area is keeping this market contained at the moment, but with the overall tone of this market, we would expect to see a push above this level. Above \$85, there is resistance set at \$87.95 and above that at \$90, where we see this market heading. On the downside, support rests at \$78 and below that at \$75.

**Fundamental News:** An OPEC+ committee largely stuck to forecasts of a strong demand rebound this year and next ahead of a meeting next week, at which the group is expected to agree on a planned output increase of 400,000 bpd in December. The Joint Technical Committee, which met on Thursday, now expects oil demand to grow by 5.7 million bpd in 2021, 120,000 bpd below OPEC's forecast in its latest monthly report. The JTC left its demand forecast for next year steady at 4.2 million bpd. The source said the revision for 2021 was "nothing to worry about" because it was an update of actual data and rounding.

EU spokesperson Peter Stano said Iran and world powers seeking to revive a 2015 nuclear deal are trying to agree a date for the resumption of talks in Vienna as soon as possible. He said Wednesday's meeting in Brussels was "useful" and "helped to define a way forward to resume negotiations in Vienna".

The EIA reported that U.S. crude oil production fell by 1.6% or 185,000 bpd in August to 11.141 million bpd from a revised level of 11.326 million bpd in July. It reported that North Dakota oil output in August increased by 29,000 bpd on the month, while output in Texas increased by 18,000 bpd on the month and offshore Gulf oil output fell by 312,000 bpd on the month. The EIA reported U.S. crude exports increased to 2.996 million bpd in August from 2.7 million bpd in July. Total refined oil product exports in August fell to 2.946 million bpd from 3.093 million bpd in July. It reported that U.S. total oil demand in August increased by 11.2% on the month or 2.072 million bpd and by 3.1% on the year to 20.511 million bpd. Gasoline demand in August increased by 7.1% or 603,000 bpd to 9.111 million bpd the lowest level since April, while distillate demand increased by 6.1% or 223,000 bpd to 3.886 million bpd. Jet fuel demand increased to 1.578 million bpd, the highest level since February 2020 before the pandemic shutdowns.

Baker Hughes reported that the oil and gas rig count increased by two to 544 in the week ending October 29<sup>th</sup>, its highest since April 2020. That was the seventh time the rig count increased in the past eight weeks. U.S. oil rigs increased by 1 to 444 this week, while gas rigs also increased by 1 to 100, their highest since mid-September.

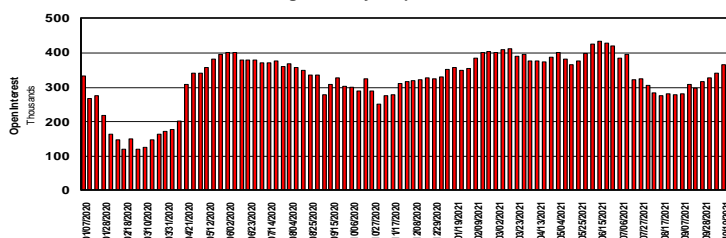
**Early Market Call - as of 8:20 AM EDT**

WTI - Dec \$84.26, up 68 cents  
 RBOB - Dec \$2.3829, up 1.37 cents  
 HO - Dec \$2.4944, up 1.53 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-21	\$2.4964	-\$0.0201	-\$0.0425
Dec-21	\$2.4787	-\$0.0061	-\$0.0525
Jan-22	\$2.4621	-\$0.0077	-\$0.0558
Feb-22	\$2.4381	-\$0.0085	-\$0.0580
Mar-22	\$2.4078	-\$0.0089	-\$0.0591
Apr-22	\$2.3715	-\$0.0099	-\$0.0600
May-22	\$2.3449	-\$0.0117	-\$0.0602
Jun-22	\$2.3270	-\$0.0124	-\$0.0588
Jul-22	\$2.3165	-\$0.0124	-\$0.0569
Aug-22	\$2.3088	-\$0.0121	-\$0.0541
Sep-22	\$2.3043	-\$0.0119	-\$0.0586
Oct-22	\$2.3011	-\$0.0116	-\$0.0481
Nov-22	\$2.2985	-\$0.0113	-\$0.0446
Dec-22	\$2.2948	-\$0.0114	-\$0.0417
Jan-23	\$2.2895	-\$0.0116	-\$0.0398
Feb-23	\$2.2767	-\$0.0117	-\$0.0383
Mar-23	\$2.2582	-\$0.0120	-\$0.0371

Settlements		Close	Change
Crude - WTI	Dec Brent-WTI Spread \$0.81	\$83.5700	\$0.7600
Crude - Brent		\$84.3800	\$0.0600
Natural Gas		\$5.4260	-\$0.3560
Gasoline		\$2.4620	\$0.0270

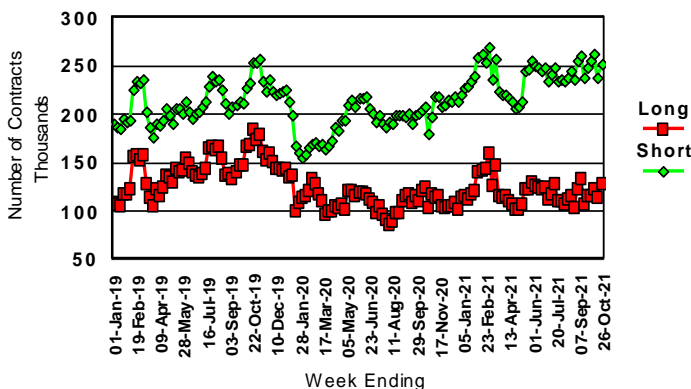
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending October 26, 2021

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

