

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices rose early in the session on Friday, as a rebound in global demand was widely expected and a slow recovery for the U.S. Gulf Coast export and refining hub from the hurricane earlier this week looked set to deplete stocks further. The shut in of production in the U.S. Gulf Coast and the outage of refining capacity in Louisiana is eating away at U.S. stockpiles, which have already been declining, at a time when domestic fuel demand is increasing. Some analysts see room for further price gains amid tightening crude supplies and signs of recovering demand after the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, stuck to a plan to add 400,000 barrels per day to the market over the next few months. However, oil prices turned lower ahead of the long U.S. Labor Day weekend, as traders squared up positions and after a weaker than expected U.S. nonfarm payroll report was released. October WTI fell 70 cents, or 1%, to settle at \$69.29 a barrel. For the week, prices based on the front month contract gained 0.8%. November Brent lost 42 cents, or 0.6%, to end the week at \$72.61 a barrel, for a weekly gain of 1.3%. October RBOB shed 0.4%, to settle at \$2.15 a gallon, ending 1.6% higher on the week. October heating oil slipped 0.4%, to settle at \$2.16 a gallon, up 2.5% on the week.

Fundamental News: On Friday, U.S. Gulf Coast energy companies advanced the recovery from Hurricane Ida on a few fronts, but slipped elsewhere as lack of crews, power and fuel reversed earlier production gains. Ports were reopening and some pipelines restarted as companies completed post-storm evaluations. However, larger hurdles remained for producers and refiners that struggled to get up and running. Five days after the hurricane moved through offshore oil and gas fields, crews have not returned to three-quarters of the evacuated platforms and more than 90% of production remained offline. The White House sought to ease regional fuel shortages, authorizing the release of 1.5 million barrels of crude oil to Exxon Mobil to produce gasoline. Four large refineries in the state remain shut. Royal Dutch Shell has resumed 20% of its usual production. Shell said an offshore facility that carries offshore oil and gas to shore suffered damage. Pipeline operator Enbridge said it continues to evaluate its Gulf of Mexico facilities and offshore production remained shut. Most Louisiana ports have reopened, including the Port of New Orleans and the port of Port Fourchon reopened on Thursday for daylight operations only. The Louisiana Offshore Oil Port remained closed. Port Fourchon is a critical hub for the U.S. offshore oil and gas industry, which supplies some 17% of the nation's oil. However, portions of the Mississippi River west of New Orleans were shut because of a downed transmission line. The Louisiana Offshore Oil Port, the largest deepwater oil terminal, also remained closed, according to the U.S. Coast Guard.

The Bureau of Safety and Environmental Enforcement said about 1.699 million bpd of oil production and 1.99 bcf/d of natural gas output remains shut in the U.S. side of the Gulf of Mexico after Hurricane Ida forced the evacuation of hundreds of platforms. The shut-ins are equivalent to 93% of crude and 89% of natural gas output suspended, as 133 platforms and six rigs remain evacuated.

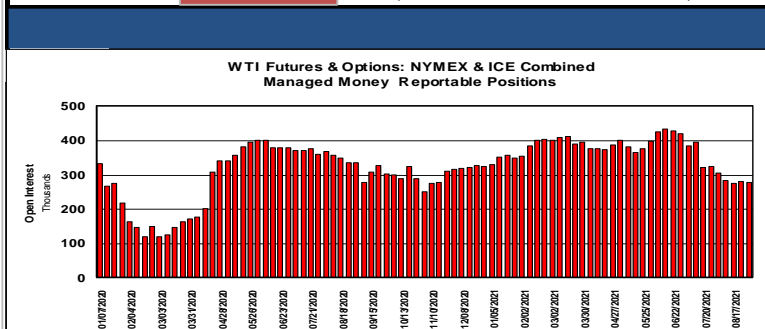
Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for the first time in five weeks, with the oil rig count alone falling the most since June 2020 after Hurricane Ida hit the United States. It reported that the combined oil and gas rig count, an early indicator of future output, fell by 11 to 497 in the week ending September 3rd. U.S. oil rigs fell by 16 to 394 this week, their biggest decline since June last year, while gas rigs increased by five to 102, in their biggest weekly rise since May.

Early Market Call - as of 8:15 AM EDT

WTI - Oct \$68.33, down 97 cents
 RBOB - Oct \$2.1278, down 2.54 cents
 HO - Oct \$2.1302, down 2.88 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-21	2.1594	-0.0083	0.0524
Nov-21	2.1538	-0.0091	0.0507
Dec-21	2.1479	-0.0096	0.0492
Jan-22	2.1421	-0.01	0.0484
Feb-22	2.1336	-0.0097	0.0484
Mar-22	2.1205	-0.0093	0.0471
Apr-22	2.1022	-0.0087	0.0463
May-22	2.0894	-0.008	0.046
Jun-22	2.0801	-0.0074	0.0456
Jul-22	2.0776	-0.0074	0.045
Aug-22	2.0766	-0.0074	0.0449
Sep-22	2.0768	-0.0071	0.0451
Oct-22	2.0776	-0.007	0.0448
Nov-22	2.0774	-0.0069	0.0443
Dec-22	2.0755	-0.0071	0.0434
Jan-23	2.0743	-0.007	0.0428
Feb-23	2.0678	-0.0068	0.042

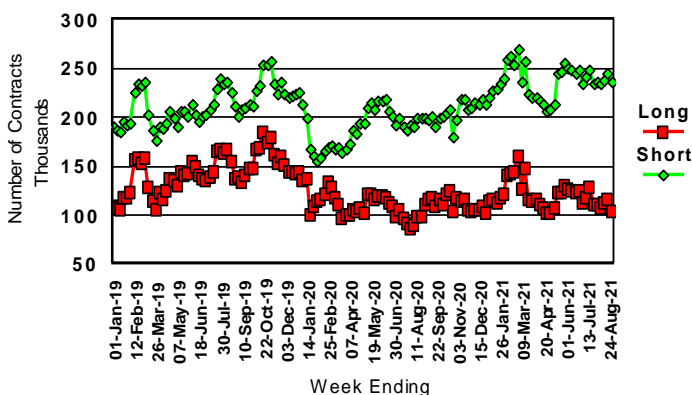
Sprague HeatCurve October 2021-April 2022		\$2.1373
	Close	Change
Crude - WTI	\$69.0700	-\$0.6600
Crude - Brent	\$72.6100	-\$0.4200
Natural Gas	\$4.7120	\$0.0710
Gasoline	\$2.1540	-\$0.0095



Commitment of Traders Report for the Week Ending August 31, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

