

Market Commentary

Recap: The oil market on Friday rallied higher and posted a gain for the third consecutive week as supply tightness following the Saudi Arabian production cuts and optimism regarding Chinese demand lifted oil prices. The market continued to climb higher in overnight trading and traded over the \$91.00 level to \$91.15 before it erased some of its gains and sold off to a low of \$89.22 as the equities markets sold off amid a fall in shares of Ford and General Motors and chip equipment makers after the United Auto Workers union started simultaneous strikes at three factories. However, the oil market bounced off its low and retraced all of its earlier losses as it traded back above the \$91.00 level ahead of the close. The October WTI contract settled up 61 cents at \$90.77, the highest level since November 7th. It gained \$3.26 or 3.73% on the week. The market posted a high of \$91.16 in the post-settlement period. The November Brent contract settled up 23 cents at \$93.93. Meanwhile, the product markets ended the session sharply lower, with the heating oil market settling down 9.81 cents at \$3.3834 and the RB market settling down 3.46 cents at \$2.7081.

Technical Analysis: While the crude market is in technically overbought territory, it continues to trend higher in its upward trending channel as stochastics are still pointing higher. The market will remain supported amid the concerns over tight supply in light of Saudi Arabia and Russia's voluntary output cuts. The market is seen finding resistance at its high of \$91.16 and \$93.02, while support is seen at its low of \$89.22, \$88.68, \$88.29, \$87.22, \$86.94, \$86.71 and \$86.15.

Fundamental News: U.S. energy firms this week added the most oil and natural gas rigs in a week since November, with the count increasing for a second consecutive week. Baker Hughes said the oil and gas rig count increased by nine to 641 in the week ending September 15th, the highest level since mid-August. It stated that U.S. oil rigs increased by 2, the most in a week since April, to 515, while gas rigs increased by 8 to 121.

LSEG analysts said diesel imports into Europe are increasing after the sharp increase in refining margins in recent weeks opened arbitrage opportunities. Global shipments into the region were set to reach about 4.45 million tons so far in September, compared with a total of 5.1 million tons last month. Imports from Asia and the Middle East increased to 2.95 million tons so far in September compared with a total of 2.41 million tons a month earlier.

IIR Energy reported that U.S. oil refiners are expected to shut in about 648,000 bpd of capacity in the week ending September 15th, cutting available refining capacity by 61,000 bpd. Offline capacity is expected to increase to 1.2 million bpd in the week ending September 22nd before increasing to 1.5 million bpd in the subsequent week.

Turkey's Energy Minister, Alparslan Bayraktar, said Iraq's northern oil export route through Turkey will soon be ready to resume operation after checks on pipeline maintenance and repairs to flood damage. He said a survey of the oil pipeline is complete and it will soon be "technically" ready for operation. Turkey halted flows on Iraq's northern oil export route on March 25th after an arbitration ruling by the International Chamber of Commerce ordered Ankara to pay Baghdad damages for unauthorized exports by the Kurdistan Regional Government between 2014 and 2018. Turkey then started maintenance work on the pipeline, which goes through a seismically active zone and which it says has been damaged by floods. Sources said oil flows are not expected to start before October, with KRG losing roughly \$4 billion in lost exports.

The TASS news agency reported that the Russian government is considering a complete ban on the export of oil products for a certain period of time in order to stabilize domestic fuel prices. It said another option under consideration is an increase in the oil products export duty to \$250/ton.

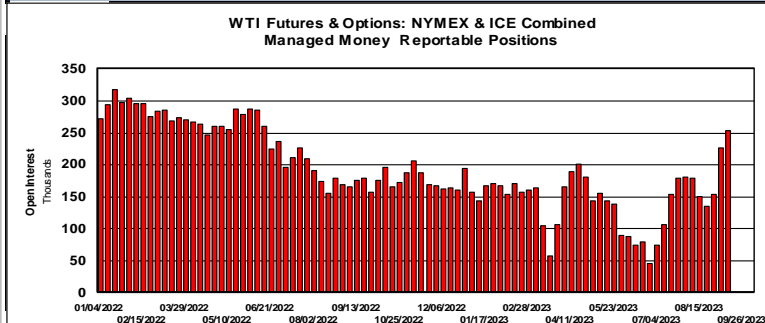
Early Market Call - as of 9:53 AM EDT

WTI - October \$91.73, up 96 cents
 RBOB - October \$2.7099, up 18 points
 HO - October \$3.3624, down 2.1 cents

All NYMEX | Prior Settlements

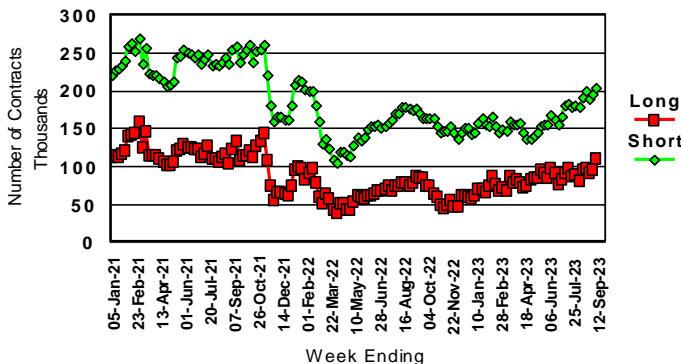
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.3834	-0.0981	0.0843
Oct-23	3.3083	-0.0873	0.0934
Nov-23	3.1710	-0.0768	0.0816
Dec-23	3.1016	-0.0625	0.0829
Jan-24	3.0527	-0.0516	0.0845
Feb-24	2.9922	-0.0419	0.0803
Mar-24	2.9196	-0.0350	0.0702
Apr-24	2.8739	-0.0295	0.0628
May-24	2.8405	-0.0252	0.0556
Jun-24	2.8206	-0.0226	0.0497
Jul-24	2.8064	-0.0213	0.0478
Aug-24	2.7979	-0.0203	0.0502
Sep-24	2.7879	-0.0191	0.0519
Oct-24	2.7743	-0.0177	0.0522
Nov-24	2.7571	-0.0168	0.0526
Dec-24	2.7377	-0.0166	0.0515
Jan-25	2.7127	-0.0159	0.0497

Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	Nov Brent-WTI Spread \$3.91	\$90.0200	\$0.4100
Crude - Brent		\$93.9300	\$0.2300
Natural Gas		\$2.6440	-\$0.0640
Gasoline		\$2.7081	-\$0.0346



Commitment of Traders Report for the Week Ending September 12, 2023

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

