

## Market Commentary

**Recap:** Oil prices reversed early losses on Friday, gaining support from the impending U.S. sanctions against Iran. However, gains were limited by falling equity markets and concerns about trade wars and their impact on demand. Prices posted a third weekly decline due to the aforementioned decline in global equity markets. December WTI rose 26 cents, or 0.4%, to settle at \$67.59 a barrel, while December Brent settled at \$77.62 a barrel, up 73 cents, or 0.95%. November gasoline added 0.1% to \$1.815 a gallon, ending down about 5.2% for the week, while November heating oil settled up 1.1% at \$2.303 a gallon, nearly flat for the week.

Despite falling for the third straight week, December WTI settled above \$67.45, a level marked by the long dated ascending trend line that can be drawn on a weekly spot continuation chart. This week marks the first time this line has been tested since its inception back in February of this year. Coming into next week, we would look for another run at this line. Breaks below it should allow for a test at the \$63.00 level. Resistance is set at \$68.96 and \$70.00

**Fundamental News:** OPEC oil shipments are estimated to reach 25.34 million b/d in the four week period ending November up some 330,000 b/d from a month ago.

Baker Hughes reported Friday that U.S. energy firms added two oil drilling rigs on the week ending October 2th. This was the third week in a row that drilling rigs were added. For the month U.S. firms added 12 drilling rigs. Currently there are some 138 more oil rigs operating in the U.S. than a year ago.

Iraq's new oil minister said Friday Iraq is committed to proceeding with plans to increase its oil and gas production capacity. Reuters reported that Iraq will stop trucking Kirkuk crude oil to Iran in November in compliance with U.S. sanctions but Iraqi and Kurdish officials have reached an agreement to resume Kirkuk crude oil exports to Turkey's Ceyhan port.

Bloomberg estimated global refinery outages totaled 6.47 million b/d in the week ending October 25th. This is down slightly from the previous week when some 6.49 million b/d of capacity was offline. Bloomberg noted that PDVSA is running its refineries in Venezuela at the lowest rates seen this year amid a lack of available crude oil and as Cardon, the country's largest refinery, still impacted by an October 15th power outage.

Colonial Pipeline reported it was allocating Cycle 62 shipments on its Line 2, its main distillate line.

IIR Friday revised up its estimate for offline U.S. refining capacity for this week to 1.810 million b/d. They now estimate next week will see some 1.561 million b/d of capacity offline, with the week ending November 9th seeing 1.258 million b/d of capacity offline.

The United Nations' shipping agency, the IMO, on Friday adopted a ban on ships being able to carry marine fuel above 0.5% sulfur unless they have special equipment on board (scubbers) to clean up sulfur emissions. The U.S. officials have been looking for a more "pragmatic" approach to implementation of IMO sulfur emission rules and will continue to press for a more moderate approach when the IMO meets in May 2019.

**Early Market Call - as of 9:15 AM EDT**

WTI - Dec \$67.16 down 43 cents  
 RBOB - Nov \$1.8150 down 43 points  
 HO - Nov \$2.2828 down 2.02 cents

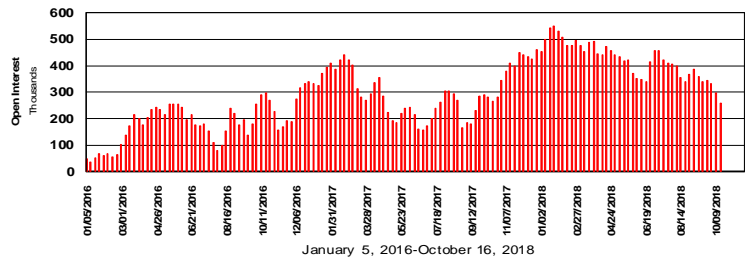
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-18	\$2.3030	\$0.0249	\$0.0010
Dec-18	\$2.3034	\$0.0250	\$0.0007
Jan-19	\$2.3021	\$0.0239	-\$0.0019
Feb-19	\$2.2962	\$0.0227	-\$0.0057
Mar-19	\$2.2873	\$0.0214	-\$0.0094
Apr-19	\$2.2754	\$0.0205	-\$0.0117
May-19	\$2.2689	\$0.0193	-\$0.0131
Jun-19	\$2.2652	\$0.0186	-\$0.0137
Jul-19	\$2.2690	\$0.0183	-\$0.0137
Aug-19	\$2.2743	\$0.0184	-\$0.0132
Sep-19	\$2.2806	\$0.0185	-\$0.0129
Oct-19	\$2.2863	\$0.0185	-\$0.0131
Nov-19	\$2.2912	\$0.0186	-\$0.0135
Dec-19	\$2.2945	\$0.0183	-\$0.0142
Jan-20	\$2.2968	\$0.0181	-\$0.0135
Feb-20	\$2.2915	\$0.0183	-\$0.0113
Mar-20	\$2.2810	\$0.0184	-\$0.0101

### Sprague Heat Curve Nov-March \$2.2985

Other Front Month NYMEX		Close	Change
Crude - WTI	Dec Brent- WTI Spread	\$67.5900	\$0.2600
Crude - Brent		\$77.6200	\$0.7300
Natural Gas	\$10.03	\$3.1850	-\$0.0170
Gasoline		\$1.8150	\$0.0021

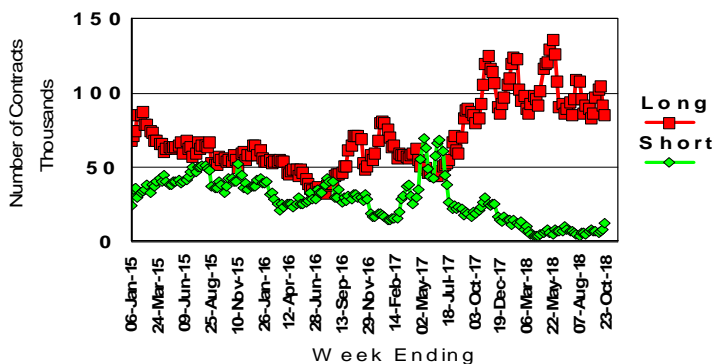
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending October 23, 2018

### Managed Money RBOB Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

