

Market Commentary

Recap: Oil futures clawed their way back from four week lows after OPEC and its allies moved forward with its plans for a gradual increase in production. OPEC+ rebuffed calls by U.S. President Joe Biden for the group to increase production in an effort to stem rising prices. The Organization of the Petroleum Exporting Countries and allies including Russia, collectively known as OPEC+, agreed on Thursday to stick to their plan to raise oil output by 400,000 barrels per day (bpd) from December. OPEC+'s decision to stay the course and the lack of a substantial response by the Biden administration reversed the down move seen on Thursday. December WTI added \$2.46, or 3.12%, to settle at \$81.27 a barrel, while January Brent settled at \$82.74 a barrel, up \$2.20, or 2.73%. December RBOB added .0283 cents, to end the week at \$2.3209 a gallon, while December heating oil settled at \$2.4556 a gallon up .0490.

Technical Analysis: Most of the gains made this past week were erased in just one session, but Friday's U.S. job report helped to lift prices from their lows. In the coming week, we would look for WTI to try and work its way back into the ascending channel it fell below last week. A trade above \$82.51 would put us right back in the channel, where at that point, we would look for a push toward \$85. Moving oscillators have made a turn to the upside in support of the higher move, but have not yet crossed. Buying on dips still appears to be a safe bet as long as this market holds above the 50-day moving average, which is currently set at \$77.77. Below this number, additional support can be found at \$75. Resistance is seen at \$85 and above that at \$88.

Fundamental News: Shell restarted production at its offshore Mars and Ursa in the Gulf of Mexico and began exporting oil and gas through a transfer facility, which was shut due to damage from Hurricane Ida. Shell's West Delta-143 offshore facility, which transfers oil and gas from three major fields for processing at onshore terminals, was originally expected to be offline for repairs until the end of 2021. A Shell executive said the company has now restored full U.S. Gulf of Mexico production following disruptions from Hurricane Ida.

Baker Hughes reported that the oil and gas rig count increased by six to 550 in the week ending November 5th, its highest since April 2020. U.S. oil rigs increased by six to 450 this week, their highest since April 2020, while gas rigs were unchanged at 100.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.3 million bpd of capacity in the week ending November 5th, increasing available refining capacity by 155,000 bpd. Offline capacity is expected to decline to 761,000 bpd in the week ending November 12th, dropping to 400,000 bpd in the week ending November 19th.

So far, the U.S. Environmental Protection Agency has rejected one petition from an oil refiner to be exempted from the nation's biofuel blending laws for the 2019 compliance year. While the EPA rejected the one petition from 2019, it still has to decide on 32 pending petitions for that year.

Having lagged a recovery in demand to pre-pandemic levels enjoyed by other fuels, jet fuel demand appears set to finally increase as more governments make air travel easier. According to analysts, global jet fuel demand is languishing 15-20% below 2019 levels but confidence generated by rising vaccination levels has led to increased passenger flight bookings in recent weeks. According to data from Rystad Energy, European jet fuel demand is at nearly 72% of pre-COVID levels, having grown for a third consecutive week, when in pre-COVID times it would normally experience a seasonal decline. Aviation data firm OAG stated that scheduled global airline seat capacity is 27% below where it was for the same week two years ago and is expected to continue to increase through March.

Early Market Call - as of 8:20 AM EDT

WTI - Dec \$81.63 UP 0.36
 RBOB - Dec \$2.3278 UP 0.0078
 HO - Dec \$2.4637 UP 0.0077

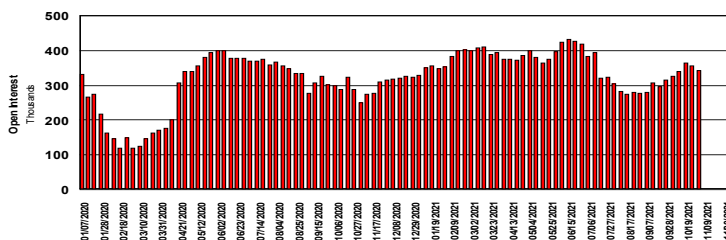
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-21	\$2.4556	\$0.0490	-\$0.0231
Jan-22	\$2.4421	\$0.0496	-\$0.0200
Feb-22	\$2.4209	\$0.0502	-\$0.0172
Mar-22	\$2.3941	\$0.0508	-\$0.0137
Apr-22	\$2.3622	\$0.0509	-\$0.0093
May-22	\$2.3393	\$0.0509	-\$0.0056
Jun-22	\$2.3252	\$0.0511	-\$0.0018
Jul-22	\$2.3178	\$0.0507	\$0.0013
Aug-22	\$2.3119	\$0.0502	\$0.0031
Sep-22	\$2.3079	\$0.0494	-\$0.0009
Oct-22	\$2.3055	\$0.0485	\$0.0044
Nov-22	\$2.3030	\$0.0474	\$0.0045
Dec-22	\$2.2992	\$0.0468	\$0.0044
Jan-23	\$2.2947	\$0.0465	\$0.0052
Feb-23	\$2.2828	\$0.0465	\$0.0061
Mar-23	\$2.2657	\$0.0463	\$0.0075
Apr-23	\$2.2443	\$0.0462	\$0.0094

Settlements

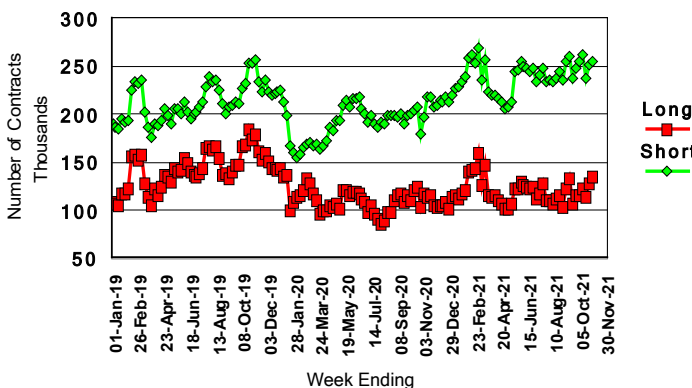
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$2.61	\$80.1300	\$2.4300
Crude - Brent		\$82.7400	\$2.2000
Natural Gas		\$5.5160	-\$0.2000
Gasoline		\$2.3209	\$0.0283

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



Commitment of Traders Report for the Week Ending November 2, 2021

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Producer/Merchant Heat Positons
CFTC Commitment of Traders Report

