

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures jumped 6% on Monday, as traders weigh the prospect for another round of stimulus in the U.S. while they also monitor President Trump's health, which is said to be improving. Also adding support is the strike in Norway, which is curtailing crude oil output, and a rebound in U.S. equities, which posted losses at the latter half of last week. After rising over 7%, to a session high of \$39.72, December WTI peeled back gains for a settlement of \$39.22 a barrel, up \$2.17, or 5.9%. December Brent tacked on \$2.02, or 5.1%, to settle at \$41.29 a barrel. November RBOB ended at \$1.1941 a gallon, up 6.3%, while November heating oil settled at \$1.1333 a gallon, up 4.5%.

Technical Analysis: Oil markets did not disappoint today, as the December WTI contract bounced off of the bottom line on the asymmetrical triangle that appears on a daily spot continuation chart, while at the same time basically going nowhere. This spot contract also gained above the 10-day moving average, but missed the \$40 mark. As we have previously written, the sideways trading pattern is expected to remain, barring a major shift in the COVID19 situation. We would look for a push toward the top of the asymmetrical triangle, with successful breaks leading toward \$42. Resistance above this level is set at \$42 and above that at \$43.80. Support is set at \$45.

Fundamental News: U.S. President, Donald Trump, said he will leave the Walter Reed Medical Center on Monday evening.

Energy companies began evacuating offshore oil platforms as the 25th named storm of the year formed in the Caribbean and was forecast to move into the Gulf of Mexico this week. BP and BHP began evacuating non-essential personnel from their offshore platforms. BP is evacuating non-essential personnel from four offshore platforms while BHP Group Plc plans to shut the Shenzi and Neptune production platforms in the U.S.-regulated northern Gulf of Mexico by Wednesday after evacuating all workers. Occidental Petroleum began implementing preparations in offshore U.S. Gulf of Mexico operations in the path of Tropical Storm Delta, which is forecast to become a hurricane later this week.

Norway's Equinor shut four of its Norwegian offshore oil and gas fields on Monday as its workers expanded their strike. The Norwegian Oil and Gas Association said two more fields operated by Neptune Energy and Wintershall Dea also face likely shutdowns on Monday because of the strike. The escalation could cut Norway's petroleum production capacity by as much as 330,000 bpd of oil equivalent or 8% of total output. The conflict began on September 30th when a group of 43 workers organized by the Lederne union went on strike, but did not initially hit energy output. The escalation added 126 union members to the strike, taking the total to 169 out of the 1,003 offshore workers Lederne represents. Output from Equinor's Gudrun, Gina Krog and Kvitebjørn fields, as well as Kvitebjørn's satellite Valemon field was shut. The Neptune Energy-operated Gjoea field and its satellite Vega field, operated by Wintershall Dea are also likely to shut. Equinor said output from Johan Sverdrup, the North Sea's largest producing oilfield, was unaffected by the strike.

IIR Energy reported that U.S. oil refiners are expected to shut in 4.2 million bpd of capacity in the week ending October 9th, increasing available refining capacity by 119,000 bpd from the previous week. Offline capacity is expected to fall to 3.9 million bpd in the week to October 16th.

Early Market Call - as of 8:15 AM EDT

WTI - Nov \$40.13, up 91 cents
 RBOB - Nov \$1.2303, up 3.63 cents
 HO - Nov \$1.1618, up 2.85 cents

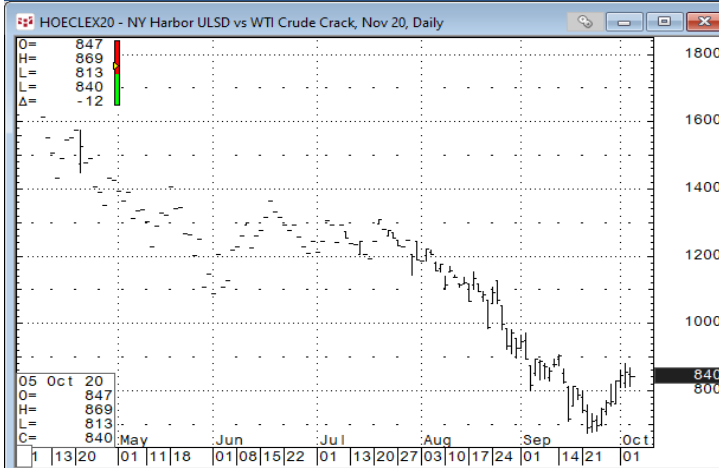
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-20	1.1333	0.0483	0.0127
Dec-20	1.1457	0.0482	0.0146
Jan-21	1.1606	0.0484	0.0154
Feb-21	1.1757	0.0482	0.0149
Mar-21	1.1885	0.0479	0.0129
Apr-21	1.1969	0.0478	0.0103
May-21	1.2079	0.0480	0.0083
Jun-21	1.2207	0.0477	0.0070
Jul-21	1.2370	0.0470	0.0071
Aug-21	1.2516	0.0462	0.0074
Sep-21	1.2654	0.0455	0.0078
Oct-21	1.2773	0.0453	0.0083
Nov-21	1.2877	0.0453	0.0083
Dec-21	1.2961	0.0450	0.0089
Jan-22	1.3073	0.0446	0.0091
Feb-22	1.3158	0.0443	0.0095
Mar-22	1.3208	0.0438	0.0097

		Close	Change
Crude - WTI	Nov Brent-	\$39.5000	\$2.1600
Crude - Brent	WTI Spread	\$41.2900	\$2.0200
Natural Gas	\$1.79	\$2.6150	\$0.1770
Gasoline		\$1.1941	\$0.0706

ICE December Brent-WTI Spread



November Heating Oil Crack Spread



November RBOB Crack Spread

