

Market Commentary

Recap: Oil futures rose to a nearly three-year high on Friday, heading higher for the third straight week, as they gained support by global output disruptions and inventory draws. Oil prices have been supported in recent weeks by major disruptions in U.S. Gulf Coast production following Hurricane Ida and other storms, disruptions which could last for months in some cases, which have led to sharp draws in U.S. and global inventories. U.S. oil refiners on the hunt for replacements for the Gulf crude have turned to Iraqi and Canadian oil, analysts and traders said. Gains were contained by China's first public sale of state crude reserves. November WTI added 68 cents, or 0.9%, to settle at \$73.98 a barrel. This was the highest front month settlement since July 13 and a 3% gain on the week. November Brent rose 84 cents, or 1.1%, to end the week at \$78.09 a barrel, at a nearly three-year high. October RBOB added 0.7% to \$2.188 a gallon, with the contract up almost 0.8% for the week. October heating oil tacked on 0.8% to \$2.267 a gallon, for a weekly rise of 2.6% and highest finish since October 2018.

Technical Analysis: The 50-day moving average has turned slightly to the upside and is now above \$69.36, the 50% retracement provided by the July high of \$76.98 and the August low of \$71.74, which is supportive for this market. That being said, we would not discount a bit of a pullback and would expect to see buyers on dips. Should we get a break below \$67.56; the trend of this market will shift to the downside. Nonetheless, the crude oil markets see a lot of demand, and most analysts out there believe that we are going to continue going higher. The \$75 level remains out near-term upside target.

Fundamental News: U.S. energy firms this week added oil and natural gas rigs for a 14th consecutive month as more offshore units in the Gulf of Mexico returned to service after shutting when Hurricane Ida hit the coast in late August. Baker Hughes said the oil and gas rig count increased by 9 to 521 in the week ending September 24th, its highest since April 2020. U.S. oil rigs increased by 10 to 421 this week, their highest since April 2020, while gas rigs fell 1 to 99, their lowest since August.

IIR Energy reported that U.S. oil refiners are expected to shut in about 919,000 bpd of capacity in the week ending September 24th, increasing available refining capacity by 873,000 bpd. Offline capacity is expected to fall to 727,000 bpd in the week ending October 1st, and be around 1.2 million bpd in the subsequent week.

PetroChina and private refiner and chemical producer Hengli Petrochemical won four cargoes totaling about 4.43 million barrels in China's first public sale of state reserves. PetroChina took the Qatar Marine and Forties cargo both at \$65/barrel and Hengli bought the Oman cargo at \$65/barrel and Upper Zakum at \$70.50/barrel.

Iran's new Foreign Minister, Hossein Amirabdollahian, said Iran remains ready to return to nuclear talks "very soon" but the Biden administration has sent a "negative sign" by failing to lift economic sanctions and imposing new sanctions against Tehran. The foreign minister told NBC News' Andrea Mitchell that President Joe Biden needed to back up his talk of diplomacy with concrete actions to show Iran that Washington is serious about restoring a 2015 nuclear deal. The foreign minister, echoing previous statements from the new Iranian government, stopped short of saying exactly when Iran would be ready to return to talks with world powers to revive the 2015 nuclear agreement. The talks aimed at restoring the deal, known as the Joint Comprehensive Plan of Action, have been stalled since June, when Iran held its presidential election. The new government under President Raisi has said it has been assessing the results of previous negotiations. Speaking on the sidelines of the U.N. General Assembly, Iranian Foreign Minister Hossein Amirabdollahian said Iran will return to negotiations on resuming compliance with the 2015 Iran nuclear deal "very soon".

Early Market Call - as of 8:55 AM EDT

WTI - Nov \$75.29, up \$1.35

RBOB - Oct \$2.2036, up 1.7 cents

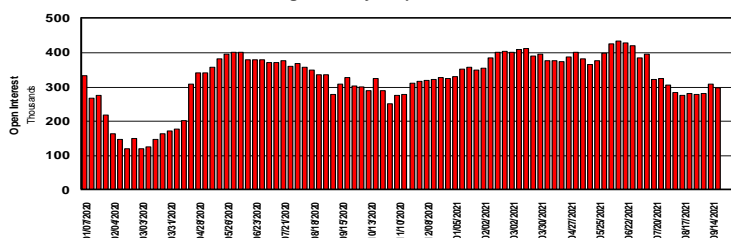
HO - Oct \$2.2992, up 3.21 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-21	\$2.2671	\$0.0180	\$0.0580
Nov-21	\$2.2646	\$0.0182	\$0.0582
Dec-21	\$2.2586	\$0.0187	\$0.0589
Jan-22	\$2.2485	\$0.0188	\$0.0573
Feb-22	\$2.2315	\$0.0186	\$0.0535
Mar-22	\$2.2099	\$0.0190	\$0.0506
Apr-22	\$2.1870	\$0.0192	\$0.0491
May-22	\$2.1714	\$0.0192	\$0.0478
Jun-22	\$2.1593	\$0.0189	\$0.0461
Jul-22	\$2.1527	\$0.0186	\$0.0436
Aug-22	\$2.1477	\$0.0183	\$0.0410
Sep-22	\$2.1441	\$0.0180	\$0.0374
Oct-22	\$2.1417	\$0.0177	\$0.0364
Nov-22	\$2.1385	\$0.0174	\$0.0341
Dec-22	\$2.1342	\$0.0177	\$0.0322
Jan-23	\$2.1295	\$0.0177	\$0.0298
Feb-23	\$2.1198	\$0.0177	\$0.0279

Sprague HeatCurve October 2021-April 2022		\$2.2389
	Close	Change
Crude - WTI	\$73.9800	\$0.6800
Crude - Brent	\$78.0900	\$0.8400
Natural Gas	\$5.1400	\$0.1640
Gasoline	\$2.1875	\$0.0160

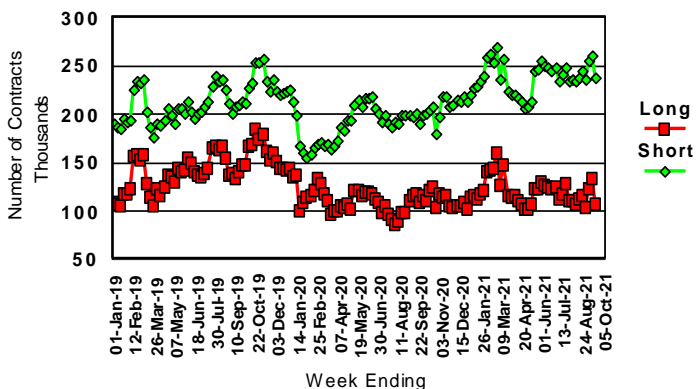
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 21, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

