

Market Commentary

Recap: Oil futures traded mostly lower on Friday, posting a weekly loss, as demand woes tied to the coronavirus pandemic kept a lid on prices, while signs of tighter supplies kept WTI above \$40 a barrel. Trader concern remains focused on the health of the global economy, as the number of coronavirus cases across the globe tick up. November WTI fell 6 cents, or almost 0.2%, to settle at \$40.25 a barrel, for a weekly loss of 2.6%. Brent for November delivery slipped 5 cents, or 0.1%, to settle at \$42.41 a barrel, down almost 2.9% on the week. October RBOB settled at \$1.2142 a gallon, up nearly 1.6%, but down 1.8% for the week. October heating oil settled at \$1.1262 a gallon, up almost 0.9%, for a weekly loss of 2.8%.

Technical Analysis: Over the last four months and since bouncing off of record lows, WTI has not really gone much of anywhere. It has been trapped around the \$40 area, which has attracted quite a bit of attention. If we could get this market above \$45, the likelihood of testing \$50 becomes more apparent. That being said, the coronavirus, which has been rising, is still the number one issue that traders are concerned about. If wider spreads of forced shutdowns are imposed across the globe, and if the U.S. dollar continues to strengthen, we could see a sharp move lower. Resistance is set at \$40.56 and above that at \$41.42. To the downside support is set at \$39.92 and below that at \$38.87.

Fundamental News: U.S. energy firms this week added oil and natural gas rigs for a second consecutive week. Baker Hughes reported that the oil and gas rig count increased by 6 to 261 in the week ending September 25th. The number of rigs searching for oil increased by 4 to 183 in the latest week, while gas rigs increased by 2 to 75.

Royal Dutch Shell has provisionally booked the Amoureux tanker to load a 1 million barrel crude cargo at Libya's Zueitina terminal on October 3rd.

Iran's oil exports have increased sharply in September in defiance of U.S. sanctions, according to assessments based on tanker tracking showed. Data from TankerTrackers and two other tracking firms indicated exports are rising. TankerTrackers data showed that the amount was twice that of August and around 11% of it was ultra-light crude, known as condensate. Data from TankerTrackers, which tracks shipments and oil storage, showed almost half of Iranian exports were picked up by foreign vessels via ship-to-ship transfers, making it difficult to determine final destinations. One of the other tracking firms said it saw an increase of at least 100,000 bpd in September, a sizeable volume compared with a low point in May when Iran's crude exports fell to 100,000 to 200,000 bpd from 2.7 million bpd in May 2018. Also, while onshore storage has increased, the volume in floating storage has fallen in 2020, suggesting Iran has found end-users for some of the oil. The floating storage volume has fallen by about 20 million barrels, separate data provided by OiiX and Kpler showed.

The Norwegian Oil and Gas Association said Norwegian oil firms plan to shut in 22% of the country's oil and gas output, or 900,000 bpd of oil equivalent, if workers go on strike next week. Trade unions Safe, Industri Energi and Lederne said about 324 workers out of 7,300 employees on offshore platforms plan to strike from September 30th if annual pay negotiations with employers fail.

IIR Energy reported that U.S. oil refiners are expected to shut in 4.7 million bpd of capacity in the week ending September 25th, increasing available refining capacity by 448,000 bpd from the previous week. Offline capacity is expected to fall to 4.1 million bpd in the week to October 2nd and decline further to about 3 million bpd in the subsequent week.

Early Market Call - as of 8:15 AM EDT

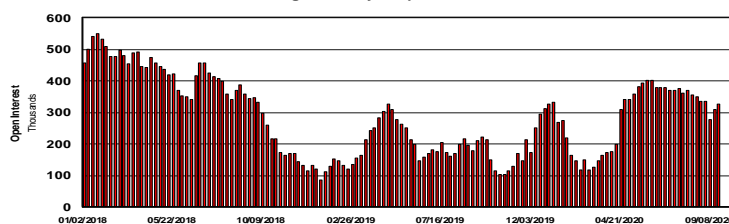
WTI - Nov \$40.30, up 6 cents
 RBOB - Oct \$1.22, up 58 points
 HO - Oct \$1.1315, up 53 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-20	1.1262	0.0095	0.0328
Nov-20	1.1333	0.0069	0.0368
Dec-20	1.1472	0.0054	0.0404
Jan-21	1.1635	0.0039	0.0435
Feb-21	1.1791	0.0025	0.0447
Mar-21	1.1908	0.0011	0.0454
Apr-21	1.1969	0.0003	0.0460
May-21	1.2066	-0.0004	0.0463
Jun-21	1.2190	-0.0012	0.0459
Jul-21	1.2358	-0.0021	0.0458
Aug-21	1.2513	-0.0031	0.0460
Sep-21	1.2664	-0.0039	0.0455
Oct-21	1.2799	-0.0046	0.0458
Nov-21	1.2912	-0.0051	0.0461
Dec-21	1.3011	-0.0054	0.0456
Jan-22	1.3133	-0.0058	0.0455
Feb-22	1.3218	-0.0063	0.0452

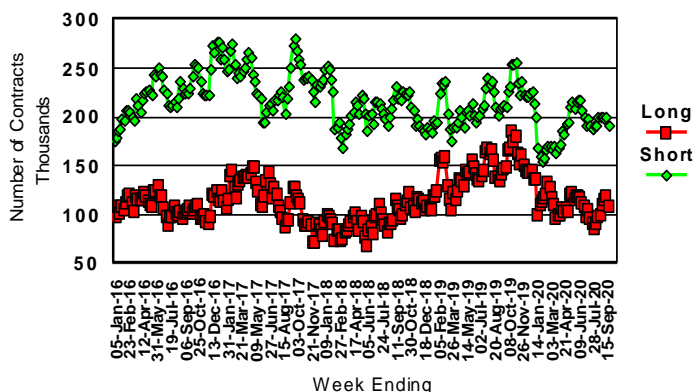
Sprague Heat Weighted Strip October -April 20/2021		\$1.1646
	Close	Change
Crude - WTI	\$40.2500	-\$0.0600
Crude - Brent	\$41.9200	-\$0.0200
Natural Gas	\$2.1390	-\$0.1090
Gasoline	\$1.2142	\$0.0185

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



Commitment of Traders Report for the Week Ending September 22, 2020

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

