

Market Commentary

Recap: During a choppy trading session on Friday, oil prices experienced a strong finish, with both WTI and Brent rallying to a fresh session high during the settlement period, as support from falling U.S. crude inventories, optimism over a U.S.-China trade deal and possible action from OPEC and its allies to extend output cuts outweighed broader economic concerns.

December WTI tacked on as much as 51 cents, or 0.9%, to trade at a session high of \$56.74 before paring gains to settle at \$56.66 a barrel, up 43 cents, or 0.76%. The front-month contract, which marked the highest finish since Sept. 24, tallied a 5.2% weekly advance. December Brent breached the \$62.00 level to trade at a session high of \$62.11 before settling at \$62.02 a barrel, up 35 cents, or 0.57%, a weekly rise of 4.4%. Prices settled at their highest since Sept. 26. November RBOB added 0.6% at \$1.673 a gallon—ending 3.1% higher for the week, while November heating oil fell 0.3% at \$1.9796 a gallon, for a weekly rise of 1.7%.

Technical Analysis: December WTI edged closer to \$56.82, the 50% retracement between the range of \$62.75 and \$50.89, while closing in on the 200-day moving average, which is currently set at \$56.90. With moving oscillators trending higher, we would look for prices to continue to edge higher, with successful moves above the aforementioned technical levels opening up the opportunity for a run at \$58.21, the 62% retracement of the previously mentioned range. Support is set at \$55.00 and \$54.27. Above \$56.82, there is additional resistance set at \$57.05.

Fundamental News: US energy companies reduced the number of oil rigs operating this week. Baker Hughes reported that the number of rigs searching for oil in the week ending October 25th fell by 17 to 696, the lowest level since April 2017.

The 150,000 bpd North Sea Buzzard oilfield, which was shut on October 17th for pipework, resumed operations on Friday.

According to US customs data, crude imports to the US East Coast region had nearly halved since the June fire that caused Philadelphia Energy Solutions to shut its refining operations. About 12.6 million barrels of crude were delivered in October to ports in Padd 1, which runs from Maine to Florida. This is compared with 20 million barrels delivered in June of 2019 and 22.2 million barrels delivered in October 2018. Crude oil imports to Philadelphia fell to 573,221 barrels in October.

IIR Energy reported that US oil refiners are expected to shut in 1.5 million bpd of capacity in the week ending October 25th, cutting available refining capacity by 45,000 bpd from the previous week. Offline capacity is expected to fall to 1.3 million bpd in the week ending November 1st, and to 1.1 million bpd in the week ending November 8th.

The US Trade Representative's office said US and Chinese trade officials are "close to finalizing" some parts of an agreement following high-level telephone conversations on Friday.

Goldman Sachs maintained a neutral view on commodities, noting that a loss in supply due to geopolitical factors and lower investment has offset declining demand. The bank forecast a return of 1.3% over a 12-month period on the S&P/Goldman Sachs Commodity Index, with a 3.4% return for precious metals, 1.9% for energy, 3.8% for industrial metals and a negative return of 6.9% for agriculture.

Early Market Call - as of 8:30 AM EDT

WTI - Dec \$56.49, down 17 cents

RBOB - Nov \$1.6667, down 54 points

HO - Nov \$1.9734, down 56 points

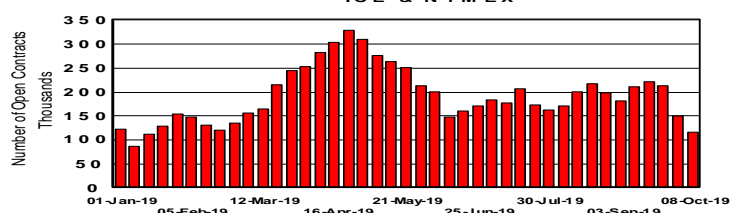
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-19	1.9796	-0.0067	-0.0325
Dec-19	1.9707	-0.0041	-0.0409
Jan-20	1.9624	-0.0017	-0.0461
Feb-20	1.9488	-0.0001	-0.0303
Mar-20	1.9304	0.0002	-0.0492
Apr-20	1.9090	0.0010	-0.0512
May-20	1.8953	0.0013	-0.0529
Jun-20	1.8865	0.0017	-0.0543
Jul-20	1.8836	0.0020	-0.0546
Aug-20	1.8824	0.0023	-0.0549
Sep-20	1.8830	0.0024	-0.0549
Oct-20	1.8845	0.0025	-0.0549
Nov-20	1.8863	0.0029	-0.0550
Dec-20	1.8873	0.0038	-0.0546
Jan-21	1.8873	0.0043	-0.0544
Feb-21	1.8820	0.0045	-0.0538
Mar-21	1.8718	0.0046	-0.0530

Other Front Month NYMEX		Close	Change
Crude - WTI	Dec Brent-	\$56.6600	\$0.4300
Crude - Brent	WTI Spread	\$62.0200	\$0.3500
Natural Gas	\$5.36	\$2.3000	-\$0.0160
Gasoline		\$1.6730	\$0.0098

Commitment of Traders Report:WTI

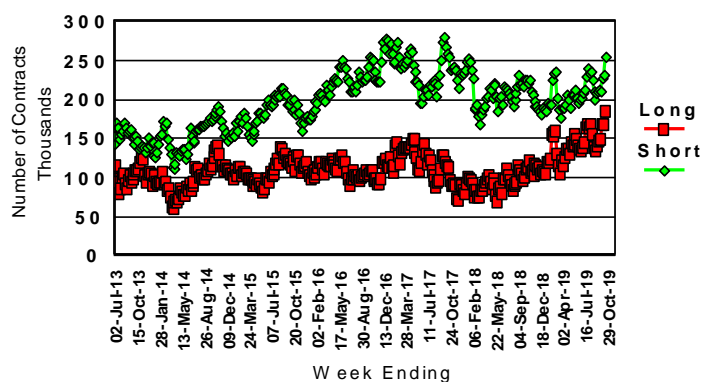
Managed Money Reportable Net Positions
ICE & NYMEX



Commitment of Traders Report for the Week Ending October 22, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

