

Market Commentary

Recap: Oil prices declined in volatile trading on Friday, following a spate of news reports tied to Iranian sanctions, a cease-fire between Saudi Arabia and Yemen, and the U.S. considering limits on investment flows into China. Prices, which were already trading lower, off of the Saudi news, received a second blow on claims by Iranian President Rouhani that the U.S. has offered to lift all sanctions if Iran is willing to resume negotiations. Overall, news this week was bearish for oil, as supply concerns eased due to the resumption of production out of Saudi Arabia and continued trade tensions between the U.S. and China. November WTI fell 50 cents, or 0.89%, to settle at \$55.91 a barrel, for a weekly loss of \$2.18, or 3.8%. November Brent settled at \$61.91 a barrel, a loss of 83 cents, or 1.32%, down \$2.37, or 3.6%. October RBOB fell 0.6% to \$1.6514 a gallon, losing 1.6% for the week, while October heating oil lost 0.7% to \$1.9416 a gallon, for a weekly loss of about 2.3%.

Technical Analysis: After last week's stunning move to the upside, WTI lacked follow through for the week ending September 26. Oil markets came back to fill the gap left after the drone strike on Saudi oil facilities, putting WTI right back into its previous sideways trading pattern. So, where does that leave this market, the obvious would be between the range of \$52.50 and \$57.50, barring any other major news. The 50, 200 and 10-day moving averages will provide resistance and are currently set at \$56.06, \$56.50 and \$58.00, respectively. To the downside, support is set at \$55.00 and \$53.70.

Fundamental News: The IEA warned Friday it may be forced to cut its growth estimates for global oil demand for 2019 and 2020 should the global economy weaken further. In August the IEA reduced its global demand growth estimates for 2019 and 2020 by 1.1 and 1.3 million b/d respectively.

The benchmark freight rate for VLCCs in the Middle East to Asia jumped by as much as 28% on Friday following in the wake of the United States imposing sanctions on two Chinese shippers earlier this week. This increase could increase the shipping costs per ship by \$600,000. Shipping sources said up to 50 tankers could be affected by the sanctions.

Platts cFlow database estimated that Saudi crude oil exports have averaged 5.94 million b/d since the attacks, compared to exports of 7.19 million b/d before the attacks.

ICE reported that speculators in the gasoil contract increased net long positions by 3,817 contracts to 95,748 in the week ending September 24th. Speculators in the Brent contract meanwhile reduced net length by 14,750 lots to 269,903 contracts. NYMEX reported that money managers reduced their futures and options net long position in the WTI contract in the week ending September 24th by 8,199 contracts to 212,561 contracts.

Baker Hughes reported the number of oil rigs operating in the United States for the week ending September 27th declined by 6 rigs on the week.

U.S. oil refiners are estimated to have 1.41 million b/d of refining capacity offline for the week ending September 27th, some 100,000 b/d more than the prior week. The research firm IIR estimates that this offline capacity will grow to 1.54 million b/d during the week ending October 4th and climb to 1.785 million b/d off line the following week.

The Teamsters' union members reportedly have authorized a strike at Phillips 66's 285,000 b/d Bayway refinery in Linden, N.J. if no agreement is reached ahead of their contract expiration on Tuesday.

Early Market Call - as of 8:30 AM EDT

WTI - Nov \$55.07, down 83 cents

RBOB - Oct \$1.5903, down 1.58 cents

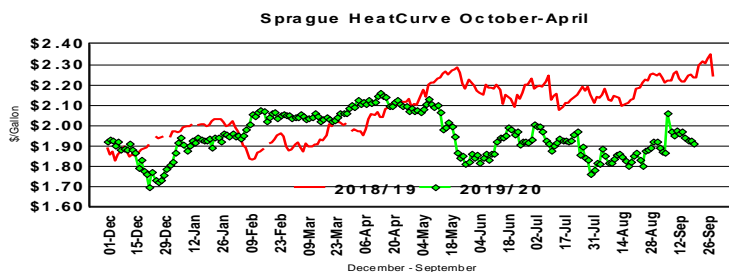
HO - Oct \$1.9163, down 1.97 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-19	\$1.9416	-\$0.0135	-\$0.0447
Nov-19	\$1.9360	-\$0.0145	-\$0.0460
Dec-19	\$1.9276	-\$0.0154	-\$0.0481
Jan-20	\$1.9175	-\$0.0164	-\$0.0496
Feb-20	\$1.9028	-\$0.0181	-\$0.0505
Mar-20	\$1.8836	-\$0.0187	-\$0.0511
Apr-20	\$1.8617	-\$0.0189	-\$0.0518
May-20	\$1.8473	-\$0.0183	-\$0.0514
Jun-20	\$1.8363	-\$0.0174	-\$0.0496
Jul-20	\$1.8332	-\$0.0165	-\$0.0473
Aug-20	\$1.8319	-\$0.0157	-\$0.0451
Sep-20	\$1.8327	-\$0.0151	-\$0.0427
Oct-20	\$1.8342	-\$0.0149	-\$0.0401
Nov-20	\$1.8352	-\$0.0153	-\$0.0394
Dec-20	\$1.8349	-\$0.0159	-\$0.0403
Jan-21	\$1.8364	-\$0.0160	-\$0.0396
Feb-21	\$1.8323	-\$0.0155	-\$0.0371

Sprague HeatCurve Oct 2019-Apr 2020		\$1.9102
Other Front Month NYMEX		Close
Crude - WTI	Nov Brent-	\$55.9100
Crude - Brent	WTI Spread	\$61.9100
Natural Gas	\$6.00	\$2.4040
Gasoline		\$1.6065

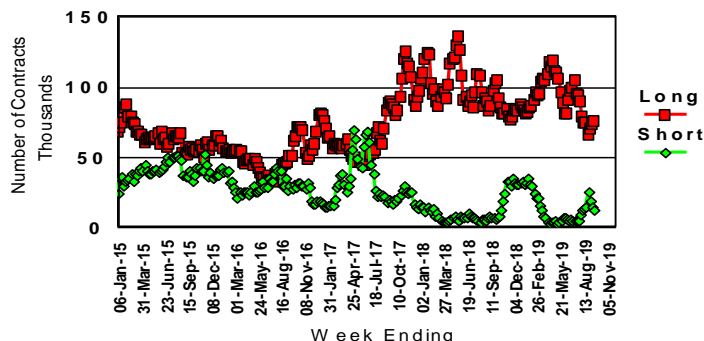
Sprague HeatCurve October-April



Commitment of Traders Report for the Period Ending September 24, 2019

Managed Money RBOB Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

