

Market Commentary

Recap: U.S. oil prices fell for the ninth consecutive session on Thursday, with WTI reaching a five month low and Brent falling to its lowest level in three months, as geopolitical concerns, deteriorating demand and rising output continue to overshadow U.S. imposed sanctions on Iran. December WTI fell as much as 1.8%, reaching a session low of \$60.54, while January Brent fell 2%, to a low of \$70.58. WTI has fallen 21% since peaking at \$77.09 in October, ending its longest bull run since 2015. December WTI settled at \$60.67 a barrel, down \$1.00, or 1.7%, marking the lowest settlement for a spot contract since March. After topping off October at \$86.76, Brent has fallen 18.5%, finishing the session at \$70.65 a barrel, down \$1.42, or 1.97%. In post settlement trading, both WTI and Brent extended their losses. In other energy trade, December RBOB fell 0.2% to \$1.644 a gallon, while December heating oil fell 3.1% to \$2.168 a gallon.

Technical Analysis

WTI's move below \$61.20 has put this market into bear territory, with the potential to hit \$58.80, the 50% retracement set by the October high of \$77.09 and the June low of \$40.50. Resistance set at \$61.20 and \$63.11.

Fundamental News: President Donald Trump said the "fragile" global oil market was a key reason his administration extended waivers to eight countries allowing them to continue importing Iranian crude in violation of new US sanctions.

An oil tanker and a Norwegian Navy frigate collided off Norway's west coast on Thursday. Eight people were injured in the incident and it caused the shutdown of a North Sea crude export terminal, Norway's largest gas processing plant and several offshore fields. Equinor reported that the Kollsnes gas plant, with a processing capacity of 144.5 million cubic meters/day was shutdown. The tanker had left Equinor's Sture oil shipment terminal with a cargo of crude, and the facility would be temporarily shut as a precautionary measure. The Sture terminal receives oil via pipelines from several North Sea fields, including the Oseberg, Grane, Svalin, Edvard Grieg and Ivar Aasen, which in turn is exported to global markets on oil tankers. Aker BP said output at Ivar Aasen, which produced about 95,000 bpd of oil equivalent in the third quarter, has been shut down. Production at Edvard Grieg was also shut down.

Japan's Fuji Oil Co is considering whether to sign a new contract for Iranian crude imports after Japan received a waiver from US sanctions on Iran. Meanwhile, Cosmo Energy Holdings has been notified by the government about the waiver and will consider whether to resume imports of Iranian oil.

China's General Administration of Customs reported that the country's crude oil imports increased by 32% on the year to 40.8 million tons or 9.61 million bpd, up from 9.05 million bpd in September. China's imports increased 8.1% for the first ten months of the year to 377.16 million tons or 9.06 million bpd, on track for another record year of shipments. The General Administration of Customs also reported that China's product imports in October fell to 2.55 million tons from 2.91 million tons in September. Its oil product imports in January through October increased to 27.14 million tons from 24.35 million tons a year earlier. China's oil product exports in October fell 1.5% to 4 million tons. Its oil product exports in January through October increased to 48.09 million tons from 40.29 million tons a year earlier.

Reuters reported that Monroe Energy is on track to restart its 185,000 b/d refinery by November 17th. The sulfur recovery unit at the plant was reportedly restarted Thursday. The refinery has been down for planned maintenance since late September.

Early Market Call - as of 9:42 AM EDT

WTI - Dec \$59.40 down \$1.26

RBOB - Dec \$1.6039 down 4.04 cents

HO - Dec \$2.1230 down 4.53 cents

All NYMEX | Prior Settlements

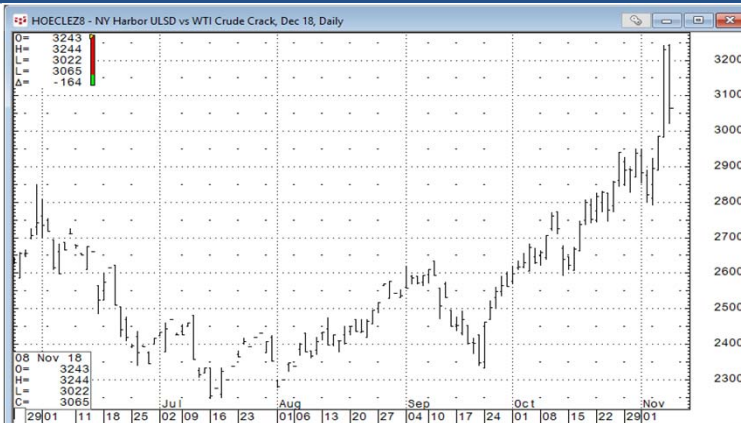
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-18	\$2.1683	-\$0.0688	-\$0.0325
Jan-19	\$2.1600	-\$0.0638	-\$0.0359
Feb-19	\$2.1518	-\$0.0607	-\$0.0380
Mar-19	\$2.1439	-\$0.0581	-\$0.0378
Apr-19	\$2.1301	-\$0.0560	-\$0.0405
May-19	\$2.1253	-\$0.0537	-\$0.0402
Jun-19	\$2.1241	-\$0.0523	-\$0.0395
Jul-19	\$2.1302	-\$0.0514	-\$0.0394
Aug-19	\$2.1381	-\$0.0508	-\$0.0389
Sep-19	\$2.1478	-\$0.0502	-\$0.0375
Oct-19	\$2.1570	-\$0.0496	-\$0.0357
Nov-19	\$2.1654	-\$0.0489	-\$0.0338
Dec-19	\$2.1719	-\$0.0483	-\$0.0327
Jan-20	\$2.1749	-\$0.0473	-\$0.0326
Feb-20	\$2.1727	-\$0.0443	-\$0.0310
Mar-20	\$2.1662	-\$0.0426	-\$0.0286
Apr-20	\$2.1555	-\$0.0414	-\$0.0270

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent- WTI Spread	\$60.8600	-\$0.9600
Crude - Brent		\$70.6500	-\$1.4200
Natural Gas	\$9.79	\$3.5430	-\$0.0120
Gasoline		\$1.6443	-\$0.0031

EIA Working Gas Storage Report

	02-Nov-18	26-Oct-18	Change	Year Ago
East	831	826	5	925
Midwest	980	956	24	1,111
Mountain	182	180	2	224
Pacific	265	262	3	317
South Central	949	919	30	1,210
Salt	253	234	19	334
Nonsalt	696	686	10	876
Total	3,208	3,143	65	3,788

December Heat Crack



December ULSD

