

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures rose on Friday, lifted by increasing signs of supply shortages as a result of Hurricane Ida and as U.S.-China trade hopes gave riskier assets a boost. Approximately three quarters of production in the U.S. Gulf Coast remains offline since being hit by the hurricane. Reports that U.S. President Joe Biden and his Chinese counterpart, Xi Jinping were in phone talks, raised hopes that the relationship between the two countries would grow warmer, and in turn increase demand for oil. October WTI added \$1.58 cents, or 2.3%, to settle at \$69.72 a barrel. November Brent settled at \$72.92 a barrel, up \$1.47, or 2%. Products also finished higher, with October RBOB up 5.43 cents, ending the week at \$2.1524 a gallon and October heating oil settled at \$2.1456 a gallon, up 3.23 cents.

Technical Analysis: October WTI closed in on the psychological resistance level of \$70, as traders bought ahead of the weekend. This was the third straight week in a row that WTI gained and the largest three week gain since the week ending Nov. 27, 2020. This spot contract settled just below a downward trend line and the 50-day moving average, making these two technical levels the initial upside objective for next week. Also in focus next week will be revisions to the oil demand outlook for 2022 from OPEC and the International Energy Agency. OPEC will likely revise down its forecast on Monday, two OPEC+ said. Above \$70, additional resistance can be found at \$72 and above that at \$74. To the downside, support is seen at \$68.90 and below that at \$67.10.

Fundamental News: The U.S. Energy Department said it has approved a second loan of 1.5 million barrels of oil to Exxon Mobil Corp from the Strategic Petroleum Reserve after damage from Hurricane Ida devastated offshore oil production. The department has now authorized loans totaling 3.3 million barrels to help refiners cope with the lack of oil coming from the U.S. Gulf. Last Thursday, U.S. Energy Secretary Jennifer Granholm authorized a loan of 1.5 million barrels to Exxon's Baton Rouge refinery. The Energy Department then also loaned 300,000 barrels of oil to Placid Refining Company LLC's refinery near Baton Rouge, Louisiana. On Thursday, Royal Dutch Shell Plc canceled some export cargoes due to Ida's damage to offshore facilities, signaling energy losses would continue for weeks.

U.S. energy firms added oil and natural gas rigs for a fifth time in six weeks as offshore units in the Gulf of Mexico started to return following Hurricane Ida. The oil and gas rig count increased by 6 to 503 in the week ending September 10th. Baker Hughes reported that U.S. oil rigs increased by 7 to 401 this week, while gas rigs fell by 1 to 101.

Over two thirds of the U.S. Gulf of Mexico's oil production, equivalent to 1.207 million bpd, and over 1.68 bcf/d or 76% of natural gas output remain shut after infrastructure damages left by Hurricane Ida. The Bureau of Safety and Environmental Enforcement said a total of 65 platforms and three rigs remain evacuated.

Royal Dutch Shell declared force majeure on "numerous contracts" as it assesses damage caused by Hurricane Ida in the Gulf of Mexico. It has deployed personnel offshore to inspect the damaged facilities, including a site that serves as a transfer station for crude from the Mars field in the Gulf. According to sources, a 2 million barrel shipment of Mars crude that is scheduled to load in late September has been impacted by the force majeure.

Libya's National Oil Corporation and two engineers at the ports said loading operations at the Libyan oil terminals of Es Sider and Ras Lanuf resumed on Friday after a stoppage. Exports were still halted at a third terminal, Hariga, where people have blocked loading operations. However, loadings at the port of Hariga are expected to resume soon.

Royal Dutch Shell lifted a force majeure on Nigerian Forcados crude oil exports on September 9th.

Early Market Call - as of 8:25 AM EDT

WTI - Oct \$70.20 UP 0.48

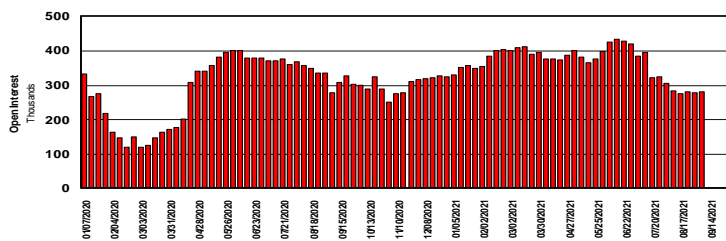
RBOB - Oct \$2.1685 UP 0.0159

HO - Oct \$2.1592 UP 0.0122

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-21	\$2.1460	\$0.0323	-\$0.0134
Nov-21	\$2.1436	\$0.0327	-\$0.0102
Dec-21	\$2.1396	\$0.0327	-\$0.0083
Jan-22	\$2.1344	\$0.0324	-\$0.0077
Feb-22	\$2.1257	\$0.0320	-\$0.0079
Mar-22	\$2.1114	\$0.0312	-\$0.0091
Apr-22	\$2.0931	\$0.0304	-\$0.0091
May-22	\$2.0812	\$0.0304	-\$0.0082
Jun-22	\$2.0724	\$0.0309	-\$0.0077
Jul-22	\$2.0701	\$0.0310	-\$0.0075
Aug-22	\$2.0694	\$0.0310	-\$0.0072
Sep-22	\$2.0698	\$0.0311	-\$0.0068
Oct-22	\$2.0709	\$0.0313	-\$0.0067
Nov-22	\$2.0712	\$0.0316	-\$0.0062
Dec-22	\$2.0701	\$0.0318	-\$0.0054
Jan-23	\$2.0692	\$0.0321	-\$0.0051
Feb-23	\$2.0628	\$0.0318	-\$0.0050

Sprague HeatCurve October 2021-April 2022		\$2.1284
	Close	Change
Crude - WTI	\$69.4700	\$1.5500
Crude - Brent	\$72.9200	\$1.4700
Natural Gas	\$4.9380	-\$0.0930
Gasoline	\$2.1540	\$0.0543

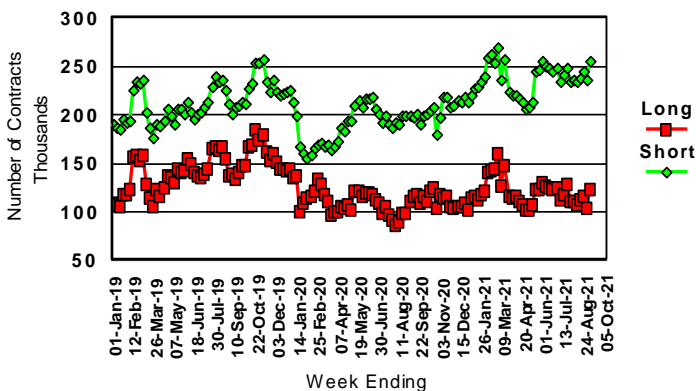
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 7, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

