

Market Commentary

Recap: Oil prices slipped to their lowest level in a week on Monday, as production in Norway, Libya and the Gulf of Mexico began to recover. WTI traded back below \$40 a barrel, as the strike in Norway ended, while Libya lifted its force majeure and as production in the Gulf of Mexico was being restored. November WTI slipped to a session low of \$39.05 before recouping some of its losses to settle at \$39.43 a barrel, down \$1.17, or 2.9%. Brent for December delivery lost \$1.13, or 2.6%, to settle at \$41.72 a barrel. November RBOB fell 2.3%, to settle at \$1.1757 a gallon, while November heating oil lost 3%, to settle at \$1.1571 a gallon.

Technical Analysis: WTI continues to struggle above \$40 a barrel, having given back some of its recent gains. The November contract sliced through its 50 and 10-day moving averages, while the 200-day average continues to provide a level of resistance. This market has been bouncing around since the beginning of June and at this point, we do not see an end to this type of activity. To the downside, the \$36.55 area will act as a level of support, with the 200-day moving average providing resistance.

Fundamental News: The U.S. Bureau of Safety and Environmental Enforcement said 1,282,898 bpd or 69.4% of U.S. Gulf offshore crude oil production remains shut in following Hurricane Delta. The regulator also said 1,276.4 mmcf/d or 47.1% of natural gas output remains shut in the Gulf following Delta.

U.S. energy companies were returning workers and restarting operations production facilities along the U.S. Gulf Coast on Sunday, two days after Hurricane Delta barreled through the area. Chevron Corp, Royal Dutch Shell Plc and BHP Group all said workers were headed back to production platforms in the U.S.-regulated northern Gulf of Mexico. BHP expects to complete the return of workers to its Shenzi and Neptune production platforms on Sunday, adding that resuming flows will depend on how quickly pipelines return to service.

On Sunday Chevron Corp said its Empire and Fourchon terminals in Louisiana and related pipeline systems were back to operational status after Hurricane Delta.

IIR Energy reported that U.S. oil refiners are expected to shut in 4.4 million bpd of capacity in the week ending October 16th, increasing available refining capacity by 88,000 bpd from the previous week. Offline capacity is expected to fall further to 3.4 million bpd in the week to October 23rd.

Goldman Sachs said the outcome of the U.S. elections would not impact its bullish oil and natural gas outlook and that an overwhelming Democratic victory could be a positive catalyst for these sectors. Goldman reiterated its bullish 2021 view for both natural gas and oil, saying drivers for higher prices supersede the potential outcomes of the U.S. election. It stated that headwinds to U.S. oil and gas production would increase further under a Biden administration, with the potential for regulations raising the cost of shale production and reducing recoverable shale resources. Goldman Sachs also stated that Biden's climate priorities also point to a faster deployment of renewable sources of energy than currently expected and added that such an agenda would require new infrastructure, which alongside a likely large initial fiscal stimulus, would lead to higher oil demand in coming years.

Early Market Call - as of 8:10 AM EDT

WTI - Nov \$40.34, up 91 cents

RBOB - Nov \$1.1989, up 2.32 cents

HO - Nov \$1.1762, up 1.91 cents

All NYMEX | Prior Settlements

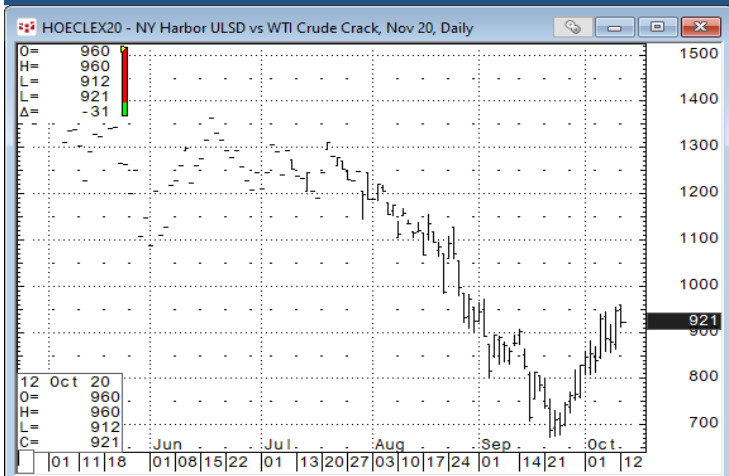
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-20	\$1.1571	-\$0.0362	-\$0.0238
Dec-20	\$1.1660	-\$0.0359	-\$0.0203
Jan-21	\$1.1794	-\$0.0350	-\$0.0188
Feb-21	\$1.1928	-\$0.0341	-\$0.0171
Mar-21	\$1.2036	-\$0.0336	-\$0.0151
Apr-21	\$1.2108	-\$0.0328	-\$0.0139
May-21	\$1.2212	-\$0.0319	-\$0.0133
Jun-21	\$1.2322	-\$0.0314	-\$0.0115
Jul-21	\$1.2462	-\$0.0311	-\$0.0092
Aug-21	\$1.2591	-\$0.0308	-\$0.0075
Sep-21	\$1.2718	-\$0.0306	-\$0.0064
Oct-21	\$1.2837	-\$0.0301	-\$0.0064
Nov-21	\$1.2938	-\$0.0298	-\$0.0061
Dec-21	\$1.3021	-\$0.0296	-\$0.0060
Jan-22	\$1.3126	-\$0.0295	-\$0.0053
Feb-22	\$1.3196	-\$0.0293	-\$0.0038
Mar-22	\$1.3231	-\$0.0290	-\$0.0023

		Close	Change
Crude - WTI	Dec Brent-	\$39.7300	-\$1.1800
Crude - Brent	WTI Spread	\$41.7200	-\$1.1300
Natural Gas	\$1.99	\$2.8810	\$0.1400
Gasoline		\$1.1757	-\$0.0275

ICE December Brent-WTI Spread



November Heating Oil Crack Spread



November RBOB Crack Spread

