

Market Commentary

Recap: After posting gains in overnight trading, WTI reversed to the downside on increasing concern that Hurricane Florence, which is brewing out in the Atlantic, would diminish demand for oil. October WTI, which at one point was trading as much as 1.1% higher on the day, gave back all of its gains as traders turned their attention to the potential of Hurricane Florence and its impact on demand on the East Coast. This spot contract settled at \$67.54 a barrel, down 21 cents, or 0.31%. Meanwhile, November Brent continued to rise on expectations that renewed U.S. sanctions against Iran would tighten global supplies of oil. November Brent tacked on 54 cents, or 0.70%, to settle at \$77.37 a barrel.

October RBOB fell by almost 0.6%, to settle at \$1.59 a gallon, while October heating oil slipped less than 0.5% to settle at \$2.218 a gallon.

Fundamental News: Genscape reported that crude oil stocks in the week ending Friday, September 7th increased by 11,432 barrels on the week but fell by 218,196 barrel from Tuesday, September 4th to 27,435,742 barrels.

The IEA said the crisis in emerging economies may affect oil demand but added that it would not be a major factor and expects the oil market to get tighter this year, putting upward pressure on prices. The IEA's Executive Director, Fatih Birol, said the problems in countries such as Argentina or Turkey may well have an impact in the coming months but added that the IEA still expects robust global oil demand growth.

Russia's Energy Minister, Alexander Novak, will discuss Iran and gas pipeline project Nord Stream 2 with his US counterpart, Rick Perry, on Thursday in Moscow. Russia's Energy Minister said the OPEC and non-OPEC deal would be implemented in September at the same level as in August and July.

The Department of Energy said US Energy Secretary, Rick Perry, will meet Saudi Energy Minister, Khalid al-Falih, on Monday morning in Washington.

South Korea has become the first of Iran's top three oil customers to fulfill a US demand that buyers cut imports to zero. South Korea did not import any crude from Iran last month compared with 194,000 bpd in July.

Bloomberg reported that two months before renewed US sanctions on its oil exports take effect, Iran has already suffered a sharp decline in sales and lost key buyers in Asia and Europe. The decline is expected to continue in the coming weeks. According to Bloomberg tanker tracking, Iran exported just over 2 million bpd of crude and condensate in August. It is the lowest level since March 2016 and down 28% from April, the last month before President Donald Trump announced that he was withdrawing from the Iran nuclear deal and reimposing sanctions.

According to FGE, world spare capacity, including those of OPEC and Russia, is seen fluctuating from about 1.3 million to 1.9 million bpd through 2019, with Iranian supplies already declining as US sanctions threat scare key importers away.

The North Sea Buzzard oilfield did not restart over the weekend as planned and is now expected to resume later on Monday. Maintenance at the field started at the beginning of September.

IIR Energy reported that US oil refiners are expected to shut in 507,000 bpd of capacity in the week ending September 14th, decreasing available refining capacity by 231,000 bpd in the previous week. IIR expects offline capacity to increase to 949,000 bpd in the week ending September 21st.

Early Market Call - as of 9:00 AM EDT

WTI - Oct \$67.68, up 14 cents

RBOB - Oct \$1.9756, up 1.64 cents

HO - Oct \$2.2224, up 47 points

All NYMEX | Prior Settlements

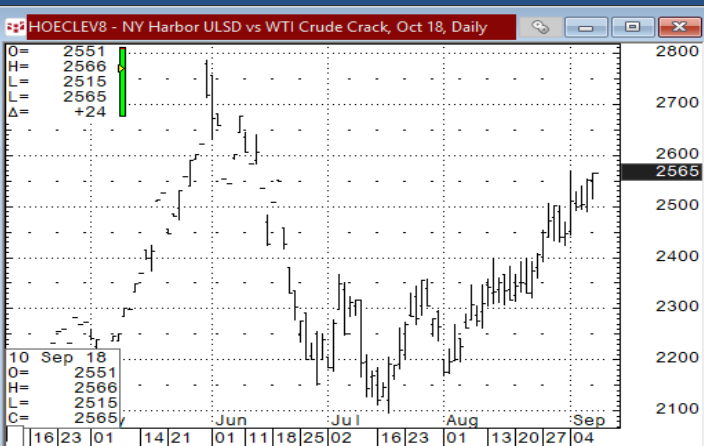
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-18	\$2.2178	-\$0.0004	-\$0.0369
Nov-18	\$2.2213	\$0.0011	-\$0.0357
Dec-18	\$2.2228	\$0.0012	-\$0.0355
Jan-19	\$2.2245	\$0.0011	-\$0.0357
Feb-19	\$2.2211	\$0.0017	-\$0.0347
Mar-19	\$2.2129	\$0.0029	-\$0.0326
Apr-19	\$2.2008	\$0.0046	-\$0.0289
May-19	\$2.1958	\$0.0064	-\$0.0256
Jun-19	\$2.1925	\$0.0079	-\$0.0225
Jul-19	\$2.1947	\$0.0082	-\$0.0219
Aug-19	\$2.1999	\$0.0082	-\$0.0216
Sep-19	\$2.2063	\$0.0076	-\$0.0219
Oct-19	\$2.2130	\$0.0075	-\$0.0218
Nov-19	\$2.2169	\$0.0068	-\$0.0223
Dec-19	\$2.2206	\$0.0055	-\$0.0230
Jan-20	\$2.2276	\$0.0044	-\$0.0240
Feb-20	\$2.2308	\$0.0044	-\$0.0242

Sprague HeatCurve Oct 2018-April 2019		\$2.2188	
Other Front Month NYMEX		Close	Change
Crude - WTI	Nov Brent-	\$67.4100	-\$0.1400
Crude - Brent	WTI Spread	\$77.3700	\$0.5400
Natural Gas	\$9.96	\$2.8040	\$0.0280
Gasoline		\$1.9592	-\$0.0108

ICE November WTI-Brent Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

