

Market Commentary

Recap: Oil prices traded mostly higher on Monday as U.S. sanctions against Iranian exports took effect but prices turned lower as the U.S. granted waivers, allowing for some major buyers to import oil from Iran. By mid-session prices fell into a downward spiral, that continued into post settlement trading. This session's trading pushed the 10-day moving average below the 200-day moving average for the first time since October 2017, adding to the down move. December WTI finished 4 cents lower, to settle the session at \$63.10 a barrel, while January Brent tacked on 34 cents, or 0.47%, to settle at \$73.17 a barrel. December RBOB settled at \$1.6919 a gallon, down 1.64 cents while December heating oil rose 2.35 cents, to settle at \$2.1963 a gallon.

Technical Analysis December WTI slipped below the long standing ascending trend line and support at \$63.00, the 38% retracement set by October's high of \$77.22 and \$39.99, the low set in June of 2017. However, a lack of follow through to the downside prompted weak short to cover their positions. We would continue to look for dips below this level, with failed attempts to the downside followed by short covering. Should we get a settlement below this level shorts will step in and add to their positions. Support is set at \$62.20 and \$58.60, with resistance set at \$64.00 and \$65.64.

Fundamental News: The United States formally re-imposed sanctions on Iran on Monday as the Trump administration is seeking to force Iran to return to the negotiation table, as it seeks to stop not only Iran's nuclear ambitions but also Iran's ballistic missile program as well as reigning in Iranian support of militant proxies in Syria, Yemen, Lebanon and other parts of the Middle East. The sanctions are targeting Iran's oil, banking and transport sectors, but the United States will allow three civil Iranian nuclear projects to continue "under the strictest scrutiny". The Trump administration is allowing eight countries- China, India, South Korea, Japan, Italy, Greece, Taiwan and Turkey- the largest Iranian customers, to continue to import Iranian crude oil without penalty. The State Department said the waivers were issued to countries that already cut purchases of Iranian crude over the past six months. The countries receiving the waivers will deposit revenue in escrow accounts for Iran to use solely for humanitarian purposes. These exemptions will last up to 180 days. President Trump said the exemptions were awarded to ensure the oil market remained well supplied and he wanted to impose the sanctions gradually so as not to cause a spike in oil prices.

Genscape reported Monday morning that they estimated Cushing crude oil stocks on Friday, October 26th stood at 36,210,115 barrels, up 2.046 million from the prior week and up 758,093 barrels from October 30th.

IIR reported it is estimating U.S. refinery capacity offline for the week ending November 9th should be 1.266 million b/d, down 326,000 b/d from the previous week and 55,000 b/d below the estimate made on Friday.

The small 25,000 b/d FCC unit and the 15,400 b/d alkylation unit at Irving's St. John refinery appeared to be back online since Sunday evening. Both units were shut following a fire at the refinery back on October 8th.

Colonial Pipeline said it is allocating Cycle 64 shipments on Line 2, its main distillate line.

Early Market Call - as of 9:16 AM EDT

WTI - Dec \$63.11 up 1 cent
 RBOB - Dec \$1.6925 up 6 points
 HO - Dec \$2.2061 up 98 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-18	\$2.1963	\$0.0235	-\$0.0878
Jan-19	\$2.1872	\$0.0197	-\$0.0954
Feb-19	\$2.1789	\$0.0170	-\$0.0988
Mar-19	\$2.1699	\$0.0151	-\$0.1000
Apr-19	\$2.1574	\$0.0128	-\$0.1018
May-19	\$2.1525	\$0.0116	-\$0.1009
Jun-19	\$2.1513	\$0.0111	-\$0.0992
Jul-19	\$2.1576	\$0.0110	-\$0.0975
Aug-19	\$2.1651	\$0.0108	-\$0.0960
Sep-19	\$2.1735	\$0.0109	-\$0.0946
Oct-19	\$2.1809	\$0.0109	-\$0.0934
Nov-19	\$2.1876	\$0.0111	-\$0.0919
Dec-19	\$2.1933	\$0.0112	-\$0.0897
Jan-20	\$2.1967	\$0.0108	-\$0.0891
Feb-20	\$2.1933	\$0.0109	-\$0.0875
Mar-20	\$2.1859	\$0.0110	-\$0.0849
Apr-18	\$2.1749	\$0.0111	-\$0.0836

Other Front Month NYMEX		Close	Change
Crude - WTI	Jan Brent-	\$63.2100	-\$0.0700
Crude - Brent	WTI Spread	\$73.1700	\$0.3400
Natural Gas	\$9.96	\$3.5670	\$0.2830
Gasoline		\$1.6919	-\$0.0164



NWS 6-10 Day Temperature Outlook

NWS 8-14 Day Temperature Outlook

