

Market Commentary

Recap: Oil prices, fell as much as 1.7% on Monday on talk that the U.S. might allow waivers for some buyers of Iranian oil when U.S. sanctions against Iran go into effect in November. November WTI fell to a low of \$73.07, its lowest level since October 1, while December Brent bottomed out at \$82.66, its lowest level in equally as much time. Losses were pared on news reports that Hurricane Michael, which is brewing in the Caribbean, has the potential to reach a Category 3 once it enters the Gulf of Mexico. The day's range was established early and then prices fell into a sideways pattern mostly centered near the top of the trading range, which was \$74.34 for WTI and \$84.31 for Brent. November WTI settled at \$74.29 a barrel, down 5 cents, or 0.07%, while December Brent slipped 25 cents, or 0.30%, to settle at \$83.91 a barrel. Products settled higher on the back of the St. John refinery fire news, with November RBOB settled at \$2.0937 a gallon up 76 points, while November heating oil added less than 0.1%, to settle at \$2.3942 a gallon.

Technical Analysis

WTI fell below the 10-day moving average for the first time since September 19, but once again failed to settle below it, making this average our first line of support. Below this average, additional support can be found at \$72.95, the 38% retracement between October's high of \$76.90 and the September low of \$66.57, when prices began their steady climb. Below \$76.90, additional support can be found at \$74.30. Resistance is set at \$76.90 and \$77.40.

Fundamental News:

The U.S. National Hurricane Center reported Monday afternoon that Hurricane Michael which was some 145 miles northeast of Cozumel, Mexico was currently a Category 1 hurricane but expected to possibly strengthen into a Category 3 hurricane before it reaches the Florida panhandle on Wednesday.

Genscape reported Monday morning that they estimate crude oil stocks in Cushing, OK stood at 28,935,175 barrels as of October 5th, up 1,691,008 from a week earlier and down just 16,756 from October 2nd levels.

Oil and gas producers in the Gulf of Mexico reported at midday that some 19% of offshore oil production and 11% of natural gas production had been shut in ahead of the advance of Hurricane Michael as it heads toward the Florida panhandle. The closures as reported by the BSEE represent 324,190 b/d of oil production and 283.88 mcf of gas output from eight reporting companies.

Irving Oil reported Monday morning that its 320,000 b/d St. John refinery in New Brunswick had experienced a "major incident". Local residents reported hearing an explosion and seeing a fire, possibly near the FCC unit. Operators were reportedly shutting down all units that had been operating at the time. The company reportedly had shut most of the units for planned maintenance back in late September, but the smaller 25,000 b/d gasoline making unit and the 125,000 b/d crude unit had still been operating.

India's oil minister said Monday that two Indian companies have placed orders to buy Iranian oil in November. Reuters is reporting that India plans to buy 9 million barrels of Iranian oil in November. The oil minister noted that India has applied for waivers from the United States for Iranian crude purchases but is not aware if the waiver will be granted.

Early Market Call - as of 9:03 AM EDT

WTI - Nov \$74.75 up 46 cents
 RBOB - Nov \$2.0898 down 39 points
 HO - Nov \$2.0453 up 1.11 cents

All NYMEX | Prior Settlements

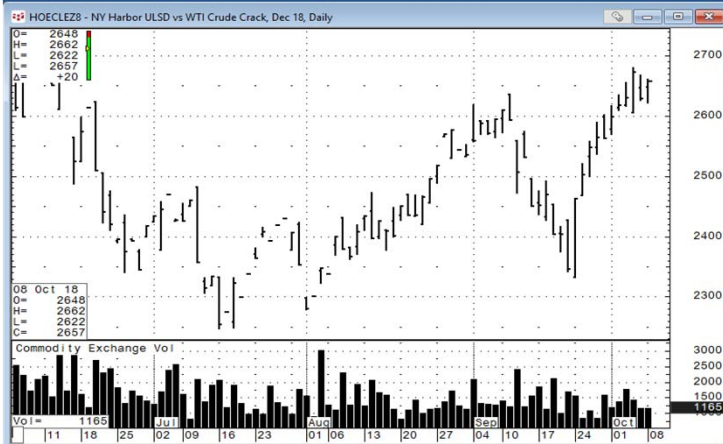
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-18	\$2.3942	\$0.0019	-\$0.0137
Dec-18	\$2.3971	\$0.0012	-\$0.0143
Jan-19	\$2.3991	\$0.0006	-\$0.0153
Feb-19	\$2.3965	\$0.0005	-\$0.0158
Mar-19	\$2.3902	\$0.0007	-\$0.0153
Apr-19	\$2.3805	\$0.0009	-\$0.0140
May-19	\$2.3743	\$0.0003	-\$0.0121
Jun-19	\$2.3704	\$0.0002	-\$0.0095
Jul-19	\$2.3736	\$0.0005	-\$0.0071
Aug-19	\$2.3777	\$0.0005	-\$0.0059
Sep-19	\$2.3832	\$0.0003	-\$0.0057
Oct-19	\$2.3885	\$0.0003	-\$0.0053
Nov-19	\$2.3923	\$0.0003	-\$0.0050
Dec-19	\$2.3947	\$0.0003	-\$0.0049
Jan-20	\$2.3953	\$0.0003	-\$0.0050
Feb-20	\$2.3871	\$0.0003	-\$0.0056
Mar-20	\$2.3757	\$0.0003	-\$0.0074

Sprague Heat Curve November - March		\$2.3958
Other Front Month NYMEX	Close	Change
Crude - WTI	\$74.1700	-\$0.0900
Crude - Brent	\$83.9100	-\$0.2500
Natural Gas	\$3.2670	\$0.1240
Gasoline	\$2.0937	\$0.0076

ICE December Brent - WTI Spread



Dec Heat Crack Spread



Dec RBOB Crack Spread

