

Market Commentary

Recap: Oil futures fell on Friday, logging their largest weekly loss since June. Prices were pressured by a dismal U.S. jobs report, which showed that job growth continued to slow during the month of August, and as government officials have failed to agree on a new economic stimulus package. Prices were already under pressure after Wednesday's bearish inventory report, which indicated lower domestic gasoline demand, while middle distillate inventories in Asia's Singapore oil hub have surpassed a nine-year high. October WTI fell \$1.60, or 3.87%, to settle at \$39.77 a barrel, Brent for November delivery lost \$1.41, or 3.2%, to close the week at \$42.66 a barrel. Both crude benchmarks settled at their lowest since July 9, based on the front-month contracts, according to Dow Jones Market Data. RBOB fell 2.3% at \$1.1772 a gallon, down around 5.6% for the week, while October heating oil declined by 1.4% to \$1.1515 a gallon, with prices posting a weekly loss of 7.2%.

Technical Analysis: The S&P 500 was clobbered on Friday, but bounced back as it tried to find footing. There is significant support down around the 3200 level, which may prove to be a near term bottom. The S&P 500 should continue to react to the Federal Reserve and its response to the economic situation in the U.S. As for WTI, we would keep a close eye on the S&P, since it will surely impact WTI's movement. Oil futures fell significantly during the week, settling below key support at \$40. Based upon a weekly spot continuation chart, WTI settled below \$42.20, the 50% retracement provided by the January high of \$76.26 and the April low of \$8.13. This combined with the settlement below \$40, sets up for a run toward the \$35 level. Below \$35, additional support is set at \$34.16. To the upside, resistance is set at \$40 and above that at \$42.20.

Fundamental News: U.S. energy firms this week added oil and natural gas rigs for the second time in the past three weeks. Baker Hughes reported that the oil and natural gas rig count increased by 2 to 256 in the week ending September 4th. The number of rigs searching for oil increased by 1 to 181 this week.

The Bureau of Safety and Environmental Enforcement reported that personnel remain evacuated from a total of 48 production platforms, 7.5% of the 643 manned platforms in the Gulf of Mexico. It estimates that 10.5% of the total oil production in the Gulf of Mexico remains shut in.

IIR Energy said U.S. oil refiners are expected to shut in 5.6 million bpd of capacity in the week ending September 4th, lowering available refining capacity by 678,000 bpd from the previous week. Offline capacity is expected to fall to 4.8 million bpd in the week to September 11th and decline further to 3.8 million bpd in the subsequent week.

A U.S. Energy Department said workers are not able to assess damage from Hurricane Laura at a Louisiana site of the U.S. emergency oil reserve due to an ongoing power outage in the area. The West Hackberry site was shut before Laura hit the region.

Russia's Energy Minister, Alexander Novak, said that the global oil demand could fall by 9-10 million bpd due to the negative impact from the coronavirus. He also said that oil prices could increase to around \$65/barrel next year, but he expected them to be volatile.

FGE analysts said rising coronavirus cases worldwide and renewed lockdowns would cut hopes of a drawdown in oil inventories for some time. It said the pressure remains on refiners to keep operating rates low.

U.S. job growth slowed further in August, threatening the economy's recovery from the COVID-19 recession. The Labor Department reported that nonfarm payrolls increased by 1.371 million jobs in August after increasing 1.734 million in July. The unemployment rate fell to 8.4% in August from 10.2% in July.

Early Market Call - as of 9:42 AM EDT

WTI - Oct \$36.78 down \$2.98 per barrel

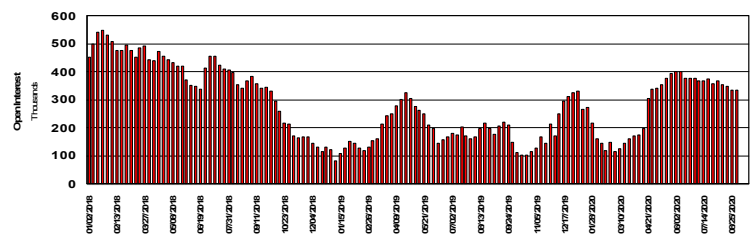
RBOB - Oct \$1.0975 down 7.97 cents per gallon

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-20	1.1515	-0.0162	0.0888
Nov-20	1.1692	-0.0198	0.0928
Dec-20	1.1901	-0.0209	0.0942
Jan-21	1.2117	-0.0213	0.0935
Feb-21	1.2311	-0.0213	0.0917
Mar-21	1.2453	-0.0217	0.0900
Apr-21	1.2529	-0.0219	0.0890
May-21	1.2638	-0.0217	0.0874
Jun-21	1.2763	-0.0209	0.0856
Jul-21	1.2930	-0.0205	0.0836
Aug-21	1.3089	-0.0203	0.0814
Sep-21	1.3234	-0.0200	0.0796
Oct-21	1.3366	-0.0196	0.0779
Nov-21	1.3483	-0.0191	0.0770
Dec-21	1.3577	-0.0186	0.0761
Jan-22	1.3690	-0.0182	0.0761
Feb-22	1.3767	-0.0179	0.0755

Sprague Heat Weighted Strip October -April 20/2021		\$1.2111
	Close	Change
Crude - WTI	\$40.1500	-\$1.5700
Crude - Brent	\$42.6600	-\$1.4100
Natural Gas	\$2.5880	\$0.1010
Gasoline	\$1.1772	-\$0.0277

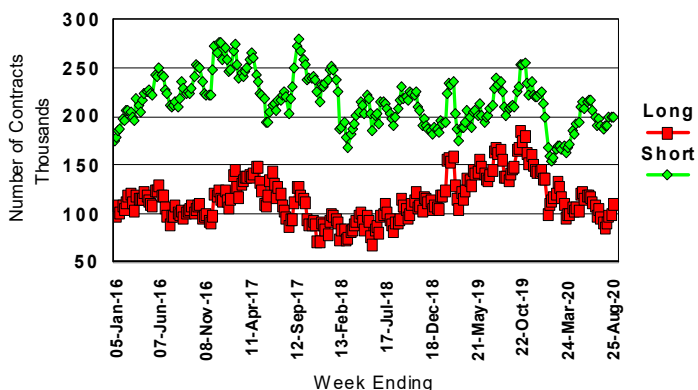
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 1, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

