

Market Commentary

Recap: Crude oil markets fell for the second straight week, with both Brent and WTI breaking down below \$40 a barrel. This was the first consecutive weekly decline since April, when prices began their collapse. The rising number of coronavirus cases across the globe and a falling equities market, combined with Saudi Arabia's lowering of its official selling price to Asia were behind this week's lower move. Friday's session saw oil prices mixed toward the end of the day, with WTI gaining 3 cents, or 0.08%, to settle at \$37.33 a barrel, while Brent for November delivery fell 23 cents, or 0.6%, to settle at \$39.83 a barrel. October RBOB lost 0.3%, to settle at \$1.0949 a gallon, ending the week down 7%. October heating oil finished the session up 0.7%, to settle at \$1.0896 a gallon, but falling on the week 5.4%.

Technical Analysis: Although this market is trying to stabilize within the sideways trading pattern it has been in since the beginning of June, our bias remains to the downside and therefore we are still looking to sell rallies up toward \$40. Should this market get above the 50-day moving average, which is currently set at \$40.54, we would reevaluate our trading stance. Above \$40.54, additional resistance is set at \$42. To the downside, support rests at \$35.15 and below that at \$33.

Fundamental News: Baker Hughes reported that the U.S. oil and gas rig count fell by two to 254 in the week ending September 11th. The number of rigs searching for oil fell by 1 to 180 this week, while the number of rigs searching for gas fell by 1 to 71.

IIR Energy reported that U.S. oil refiners are expected to shut in 4.9 million bpd of capacity in the week ending September 11th, increasing available refining capacity by 804,000 bpd from the previous week. Offline capacity is expected to fall to 4.4 million bpd in the week ending September 18th and to 3.9 million bpd in the week ending September 25th.

Iraq's Kurdish government said this week that it could not comply with Baghdad's request to cut crude oil production by 120,000 b/d due to financing needs. The region reportedly has reduced production by 50,000 b/d and current production is at 410,000 b/d. Iraq is estimated to have produced 3.75 million b/d in August, just below its OPEC+ production quota of 3.8 million b/d, but still far above its effective quota of around 3.4 million b/d when its compensation cuts are factored in. The country had previously vowed to implement extra cuts of 400,000 b/d in each of August and September to make up for overproducing in May through July.

According to Refinitiv Eikon's vessel tracking data, two Iranian-flagged tankers transporting fuel are sailing round Africa's Cape of Good Hope en route to the Atlantic Ocean. The medium-size vessels Forest and Fortune, carrying about 300,000 barrels of fuel each loaded at Iran's Bandar Abbas terminal last month, are bound for Venezuela. A third Iranian tanker of the same size that also loaded fuel in August at Bandar Abbas, the Faxon, has kept its transponder switched off since it set sail, the data showed, making it difficult for tracking systems to detect its location. That vessel is also bound for Venezuela, according to the sources, but the route it took is yet unknown.

Early Market Call - as of 8:30 AM EDT

WTI - Oct \$37.02 down 31 cents
RBOB - Oct \$1.1022 up 73 points
HO - Oct \$1.0868 down 28 points

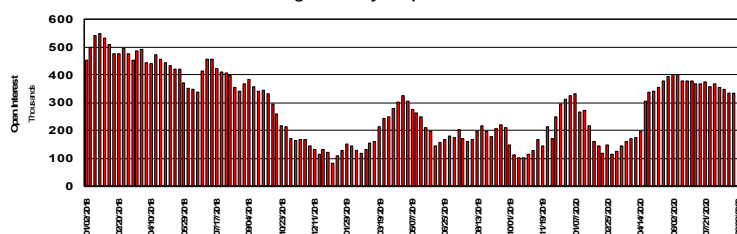
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-20	1.0896	0.0072	0.0619
Nov-20	1.1066	0.0068	0.0626
Dec-20	1.1252	0.0055	0.0649
Jan-21	1.1444	0.0044	0.0673
Feb-21	1.1616	0.0031	0.0695
Mar-21	1.1744	0.0022	0.0709
Apr-21	1.1813	0.0014	0.0716
May-21	1.1916	0.0005	0.0722
Jun-21	1.2039	-0.0004	0.0724
Jul-21	1.2207	-0.0008	0.0723
Aug-21	1.2366	-0.0012	0.0723
Sep-21	1.2512	-0.0016	0.0722
Oct-21	1.2644	-0.0020	0.0722
Nov-21	1.2759	-0.0022	0.0724
Dec-21	1.2854	-0.0022	0.0723
Jan-22	1.2970	-0.0023	0.0720
Feb-22	1.3054	-0.0023	0.0713

Sprague Heat Weighted Strip October -April 20/2021 \$1.1439

	Close	Change
Crude - WTI	\$37.6500	-\$0.0100
Crude - Brent	\$39.8300	-\$0.2300
Natural Gas	\$2.2690	-\$0.0540
Gasoline	\$1.0949	-\$0.0028

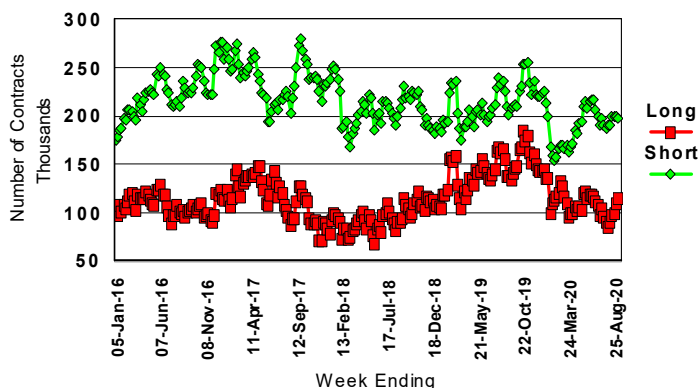
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 8, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

