

## Market Commentary

**Recap:** Oil futures ended higher Monday, with analysts tying support to the planned resumption of trade talks between the U.S. and China as well as expectations the Federal Reserve will deliver a rate cut when it concludes its policy meeting later this week. Both WTI and Brent rose above their respective 10-day moving averages for the first time in almost 2 weeks, as September WTI reached a high of \$57.10 a barrel, while October Brent tapped a high of \$63.81 a barrel. Prices rose gradually throughout the session, with both WTI and Brent rising to the aforementioned highs in post settlement trading. September WTI rose 67 cents, or 1.2%, to close at \$56.87 a barrel, while October Brent rose 15 cents, or 0.2%, to \$63.62 a barrel. September RBOB fell 0.71 cent, or 0.4%, to \$1.8153 a gallon, while September heating oil rose 0.7 cent, or 0.4%, to end at \$1.9203 a gallon.

**Technical Analysis:** WTI settled above its 10-day moving average for the first time in 2 weeks, as it rose above but failed to settle above the \$57.00 level. With late session trading taking the September contract above \$57.00, we would look for technical buyers to jump on board. Resistance is set at \$57.97, the 200-day moving average and above that at \$58.96. Support rests at \$56.71 and \$56.36.

**Fundamental News:** The US on Friday extended for three months a waiver allowing Chevron and four US oil services companies to continue working in Venezuela's oil sector. The waiver, which was due to expire on Saturday, will allow Chevron, Halliburton, Schlumberger, Baker Hughes and Weatherford International to continue certain work with PDVSA until October 25<sup>th</sup>. Administration officials had considered allowing the waiver to expire as part of its "maximum pressure" campaign on the regime of President Nicolas Maduro.

The EPA's administrator, Andrew Wheeler, said the agency hopes to rule in the next few weeks on 2018 petitions to obtain a small refinery waiver from the country's biofuel laws.

The North Sea Troll stream will load nine cargoes in September, up from eight in August.

Meanwhile, the North Sea Oseberg crude stream will load five cargoes in September, unchanged on the month.

Yemen's Ministry of Oil and Minerals said the country's internationally-recognized government has called on oil companies to restart production and exploration in the country.

Colombia's Ecopetrol said unknown persons have set fire to storage pools containing 2,600 barrels of oil at a facility in eastern Arauca province. A blockade in the area was preventing the entrance of firefighters and technical staff. The storage pools are used on a temporary basis to store crude drained from the Cano Limon pipeline after frequent bomb attacks.

Iran's Vice President, Eshaq Jahangiri, said the country's foreign policy is to confront American hegemony and protect multilateralism, adding that its reduction of commitments under a nuclear deal could be reversed if other parties upheld their side of the agreement. He said Iran's reduction of commitments under the deal could be reversed if the remaining signatories to the agreement uphold their commitments. Separately, Iran's Foreign Ministry spokesman, Abbas Mousavi, said talks between Iran and the US would be possible if based on an agenda that could lead to tangible results. However, he added that Washington is not seeking dialogue.

Britain warned Iran that if it wants to "come out of the dark" then it must follow international rules and release a British-flagged vessel seized by the Islamic Republic in the Gulf. It rejected the idea that it could release an Iranian tanker in exchange for a British-flagged vessel seized by Iran. Britain's Foreign Secretary, Dominic Raab, said there is no quid pro quo.

**Early Market Call - as of 8:30 AM EDT**

WTI - Sep \$57.30, up 43 cents

RBOB - Aug \$1.8820, up 1.99 cents

HO - Aug \$1.9275, up 1.58 cents

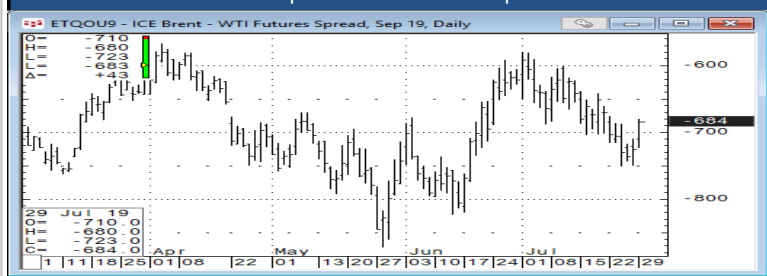
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-19	1.9106	0.0062	0.0111
Sep-19	1.9203	0.007	0.013
Oct-19	1.9272	0.0073	0.0132
Nov-19	1.9314	0.0076	0.0128
Dec-19	1.9325	0.0077	0.0122
Jan-20	1.9327	0.0077	0.012
Feb-20	1.9274	0.0075	0.0115
Mar-20	1.9167	0.0069	0.0103
Apr-20	1.9024	0.0065	0.0098
May-20	1.8928	0.0059	0.0095
Jun-20	1.8865	0.0052	0.0091
Jul-20	1.8866	0.0046	0.0085
Aug-20	1.8879	0.0039	0.0077
Sep-20	1.8904	0.0039	0.0076
Oct-20	1.8916	0.0032	0.0067
Nov-20	1.8923	0.0023	0.0059
Dec-20	1.8909	0.0016	0.0049

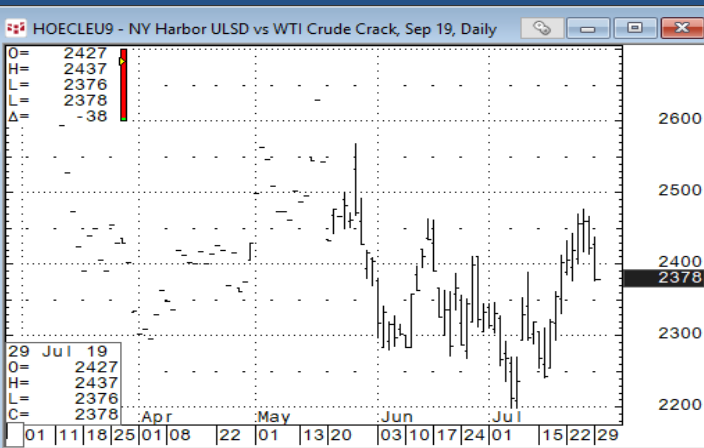
### Sprague HeatCurve Oct 2019-Apr 2020 \$1.9260

Other Front Month NYMEX	Close	Change
Crude - WTI	\$56.8700	\$0.6700
Crude - Brent	\$63.7100	\$0.2500
Natural Gas	\$2.1410	-\$0.0280
Gasoline	\$1.8634	-\$0.0110

### ICE September WTI-Brent Spread



## September Heating Oil Crack Spread



## September RBOB Crack Spread

