

Market Commentary

Recap: Oil prices rose on Tuesday, gaining strength on the potential that Tropical Storm Gordon could reach hurricane status by the time it is set to hit the U.S. Gulf Coast thereby leading to supply disruptions. However, gains were kept at bay by expectations crude oil stockpiles held at Cushing, OK rose last week. October WTI rose to a near two month, rising to a high of \$71.40. Gains were pared, with this spot contract before paring gains for a settlement of \$69.87 a barrel, up 7 cents, or 0.10%. October Brent rose to a high of \$79.72, the highest level for Brent in almost two months, before settling at \$78.17 a barrel, up 2 cents, or 0.03%.

October RBOB fell 0.1% to \$1.994 a gallon, while October heating oil added 0.5% to \$2.255 a gallon.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending August 24th increased by 754,000 barrels on the week.

Iran's President, Hassan Rouhani, said Iran will continue selling oil in spite of an expected resumption of US sanctions on the country's crude shipments.

According to Bloomberg, the world's top oil buyers are discovering that US sanctions on Iran will squeeze their trade flows whether they agree with the US or not. While the US initially wanted a complete halt in purchases, traders are now concerned that even a revised aim for only cuts would take out enough supply to create a market deficit, which other producers may struggle to fill. FGE estimates that Iran's exports will fall to below 1 million bpd by mid-2019, while Energy Aspects expected a decline of 1.5 to 1.7 million bpd by the end of the year from current levels of about 2.5 million bpd. Apart from refiners, shipowners whose vessels help ferry Iran's supply, insurers who cover those cargoes as well as banks that help process payments for the crude are at risk from the sanctions, further complicating any trade with Iran.

The US Bureau of Safety and Environmental Enforcement said Tropical Storm Gordon shut 9.23% of its daily crude production in the US Gulf of Mexico. The storm, forecast to come ashore late Tuesday or early Wednesday in Mississippi as a hurricane, has also shut in 9.06% of daily natural gas production from the northern Gulf of Mexico. A total of 54 production platforms, or 7.86% in the Gulf had been evacuated ahead of Tropical Storm Gordon by midday Tuesday. Producers have shut in 156,907 bpd of oil production and 232 million cubic feet/day of natural gas output.

Exxon Mobil evacuated the Lena platform in the US Gulf of Mexico. It said there was minimal impact to production.

Chevron Corp shut in production at its Petronius platform in the Gulf of Mexico and evacuated some non-essential personnel. It said production from other Chevron-operated assets in the Gulf remains at normal levels.

Anadarko Petroleum Corp shut oil and gas production at two Gulf of Mexico platforms as Tropical Storm Gordon approached the region on Monday. Anadarko evacuated staff and halted output at its Horn Mountain and Marlin platforms in the Gulf of Mexico ahead of the storm.

Early Market Call - as of 8:45 AM EDT

WTI - Oct **\$68.98**, down 89 cents
 RBOB - Oct **\$1.9762**, down 1.8 cents
 HO - Oct **\$2.2429**, down 1.21 cents

All NYMEX | Prior Settlements

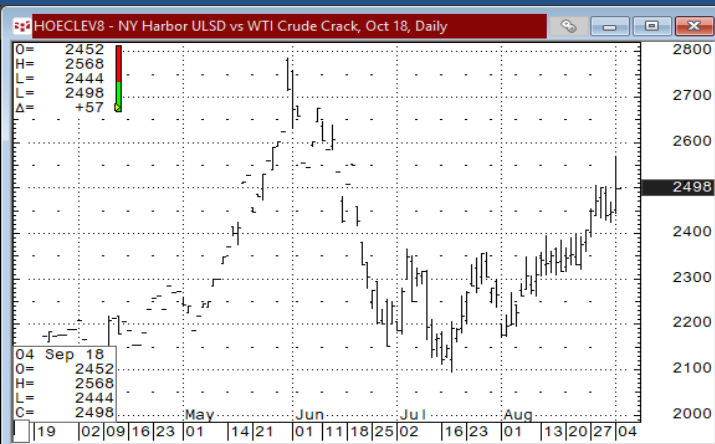
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-18	\$2.2547	\$0.0116	\$0.0341
Nov-18	\$2.2570	\$0.0110	\$0.0330
Dec-18	\$2.2583	\$0.0108	\$0.0330
Jan-19	\$2.2602	\$0.0107	\$0.0325
Feb-19	\$2.2558	\$0.0111	\$0.0316
Mar-19	\$2.2455	\$0.0112	\$0.0304
Apr-19	\$2.2297	\$0.0106	\$0.0296
May-19	\$2.2214	\$0.0102	\$0.0297
Jun-19	\$2.2150	\$0.0094	\$0.0296
Jul-19	\$2.2166	\$0.0093	\$0.0292
Aug-19	\$2.2215	\$0.0098	\$0.0291
Sep-19	\$2.2282	\$0.0101	\$0.0282
Oct-19	\$2.2348	\$0.0109	\$0.0284
Nov-19	\$2.2392	\$0.0116	\$0.0278
Dec-19	\$2.2436	\$0.0110	\$0.0259
Jan-20	\$2.2516	\$0.0110	\$0.0237
Feb-20	\$2.2550	\$0.0109	\$0.0233

Sprague HeatCurve Oct 2018-April 2019		\$2.2533	
Other Front Month NYMEX		Close	Change
Crude - WTI	Nov Brent-	\$69.5600	\$0.1900
Crude - Brent	WTI Spread	\$78.1700	\$0.0200
Natural Gas	\$8.61	\$2.8230	-\$0.0930
Gasoline		\$1.9942	-\$0.0028

ICE November WTI-Brent Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

