

Market Commentary

Recap: Oil futures fell for the second straight month on Friday, as the rising number of COVID-19 cases in Europe and the U.S. increased concerns about the outlook for forward demand. Prices were down about 11% from the end of September, as demand concerns led to increased restrictions in both Europe and the U.S. Meanwhile, OPEC+ had planned to raise output by 2 million barrels per day in January. December WTI fell 38 cents, or 1.1%, to settle at \$35.79 a barrel. This was the lowest finish for a spot month contract since June, and a loss of 11% on the month. December Brent settled at \$37.94 a barrel, down 32 cents, or 0.8%, the lowest spot month settlement since May 29, and down 8.5% on the month. November RBOB lost 0.2% to \$1.0495 a gallon, down nearly 13% for the month. November heating oil shed nearly 0.7% to \$1.0813 a gallon — down almost 6% for the month. The November contracts expired at the end of the day's session.

Technical Analysis: Oil markets broke down this week, with coronavirus lockdowns set to put a blow on demand. December WTI blew through \$36.93 to ultimately reach the psychological support level of \$35. It appears that traders regrouped on Friday, with that session being an inside trading day. With the number of lockdowns most likely to increase, demand will surely take a hit, and as a result, we could see a run toward the \$30 level therefore, we would stick with the game plan of looking for signs of exhaustion as selling opportunities. Resistance is set above at \$36.93 and above that at \$38.83.

Fundamental News: According to a Reuters survey, oil prices will remain in the \$40-\$45/barrel range for the rest of the year. A survey of 41 economists and analysts forecast global benchmark Brent crude prices to average \$42.32/barrel in 2020, slightly down from a previous estimate of \$42.48 and the \$42.45 average so far this year. The outlook for 2021 was also reduced to \$49.76/barrel from last month's \$50.41 forecast. The survey forecast U.S. WTI crude futures to average \$38.53/barrel in 2020, compared with a previous estimate of \$38.70/barrel.

Oil traders are scouting for newly built supertankers to store diesel for the next few months as they prepare for lower demand in Europe amid renewed restrictions aimed at battling the COVID-19 pandemic.

Baker Hughes reported that U.S. energy companies added oil and natural gas rigs for the seventh consecutive week. The number of rigs searching for oil increased by 10 to 221, while the natural gas rig count fell by 1 to 72 in the week ending October 30th.

According to the EIA, U.S. crude oil production in August fell by 401,000 bpd to 10.579 million bpd from 10.98 million bpd in July. U.S. total oil demand in August fell by 12.5% or 2.623 million bpd to 18.439 million bpd. U.S. distillate demand in August fell by 8.5% or 339,000 bpd to 3.663 million bpd, while gasoline demand fell by 13.4% or 1.313 million bpd to 8.508 million bpd. The EIA reported that U.S. total domestic crude shipments by rail totaled 235,000 bpd in August. Canadian shipments of crude by rail to the U.S. stood at 70,000 bpd.

Petro-Logistics reported that OPEC oil supply is expected to fall by close to 500,000 bpd in November.

According to a Reuters survey, OPEC's oil production has increased for a fourth month in October, as a restart of more Libyan installations and higher Iraqi exports offset full adherence by other members to the OPEC+ output cut agreement. The 13 members of OPEC produced 24.59 million bpd on average in October, up 210,000 bpd from September.

Early Market Call - as of 9:02 AM EDT

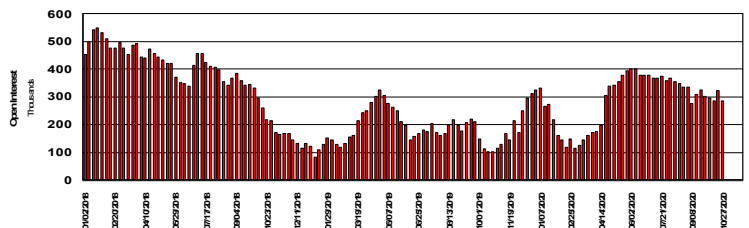
WTI - Dec \$35.20 down 59 cents per barrel
 RBOB - Dec \$1.0077 down 2.45 cents per gallon
 HO - Dec \$1.0693 down 1.66 cents per gallon

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-20	1.0813	-0.0071	0.0700
Dec-20	1.0859	-0.0010	0.0725
Jan-21	1.0946	0.0013	0.0773
Feb-21	1.1038	0.0022	0.0813
Mar-21	1.1128	0.0022	0.0838
Apr-21	1.1197	0.0021	0.0853
May-21	1.1310	0.0019	0.0854
Jun-21	1.1435	0.0019	0.0840
Jul-21	1.1569	0.0018	0.0832
Aug-21	1.1697	0.0017	0.0821
Sep-21	1.1832	0.0018	0.0806
Oct-21	1.1961	0.0020	0.0793
Nov-21	1.2080	0.0020	0.0783
Dec-21	1.2180	0.0020	0.0772
Jan-22	1.2297	0.0020	0.0763
Feb-22	1.2379	0.0018	0.0753
Mar-22	1.2418	0.0017	0.0742

		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$1.67	\$35.7900	-\$0.3800
Crude - Brent		\$37.4600	-\$0.1900
Natural Gas		\$3.3540	\$0.0530
Gasoline		\$1.0495	-\$0.0020

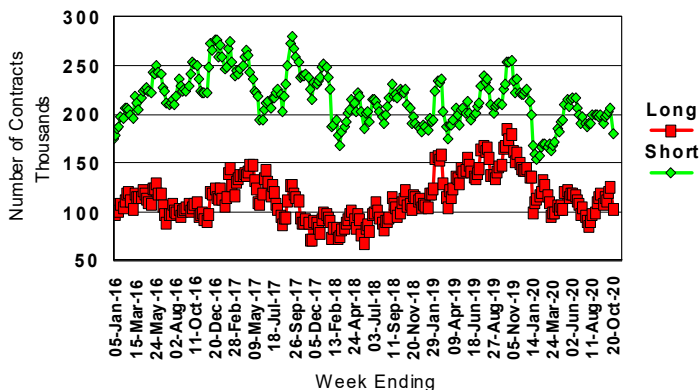
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending October 27, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

