

Market Commentary

Recap: Oil prices rose more than 2% on Monday after the new Saudi energy minister reiterated his country's commitment to OPEC+ and its policy of limiting crude oil output to support prices. October WTI climbed \$1.64, or 2.9% to a session high of \$58.16 a barrel, its highest level since July, while November Brent topped the session at \$62.99 a barrel, for a gain of \$1.45, or 2.3%. WTI crude for October delivery rose \$1.33, or 2.4%, to settle at \$57.85 a barrel, while November Brent added \$1.05, or 1.7%, to \$62.59 a barrel. Both benchmarks finished at their highest level since July 31. October RBOB rose by 0.7% to \$1.5846 a gallon, while October heating oil tacked on 1.4% to settle at \$1.9277 a gallon.

Technical Analysis: WTI blew through the downward trend line seen in a daily spot continuation chart and gained momentum above \$57.00, the 200-day moving average. Given the ability of this market to blast through and settle above the \$57.00 level, we would look for advancements toward \$58.99, the 50% retracement provided by the April high of \$67.31 and the August low of \$50.66. A push back below \$57.00 puts us right back in the \$57.00 - \$52.00 range.

Fundamental News: Saudi Arabia's new Energy Minister, Prince Abdulaziz bin Salman, said the country would continue working with other producers to achieve market balance and added that an OPEC-led supply cut agreement would survive "with the will of everybody." Prince Abdulaziz bin Salman, who took over as energy minister from Khalid al-Falih, on Sunday said there would be "no radical" change in the oil policy of Saudi Arabia. He told reporters on the sidelines of an energy conference in Abu Dhabi that the OPEC and non-OPEC alliance was "staying for the long term" and called on OPEC members to comply with output targets. Separately, he stated that the country is aiming for an initial public offering of Saudi Aramco "as soon as possible." Saudi Arabia's new Energy Minister also stated that the country wants to have uranium production and enrichment in the future for its planned nuclear power program that will begin with two atomic reactors.

The UAE's Energy Minister, Suhail bin Mohammed al-Mazroui, said OPEC and non-OPEC producers were "committed" to achieving oil market balance and that Abu Dhabi would support any consensus decision on further production cuts.

OPEC's Secretary General, Mohammad Barkindo, said OPEC's Joint Ministerial Monitoring Committee may discuss new metrics for the global oil cuts deal when it convenes in Abu Dhabi later this week.

S&P Global Platts reported that OPEC's crude production increased by 50,000 bpd in August to 29.93 million bpd. The group's compliance with the output cuts stood at 103%. The August figure is 930,000 bpd lower than OPEC's 14 members produced in January, and 2.34 million bpd lower on the year, not counting Qatar, which left the organization at the end of 2018. The cuts, along with US sanctions imposed on Iran and Venezuela, have contributed to tightening supplies, particularly of heavier and sour crudes.

Iraq's Oil Minister, Thamer Ghadhbhan, said Iraq was committed to complying with oil output cuts under an OPEC-led supply deal and that his country's production levels stood at 4.6 million bpd. He said it was too early to talk about whether there was a need to deepen cuts under the deal between OPEC and its allies.

The UN's International Atomic Energy Agency reported that Iran was starting to follow through on its pledge to further breach the 2015 nuclear deal with world powers. It said Iran began installing more advanced centrifuges and is moving towards enriching uranium with them even though that is forbidden under its nuclear deal with major powers.

Early Market Call - as of 8:25 AM EDT

WTI - Oct \$58.49, up 64 cents

RBOB - Oct \$1.6035, up 1.89 cents

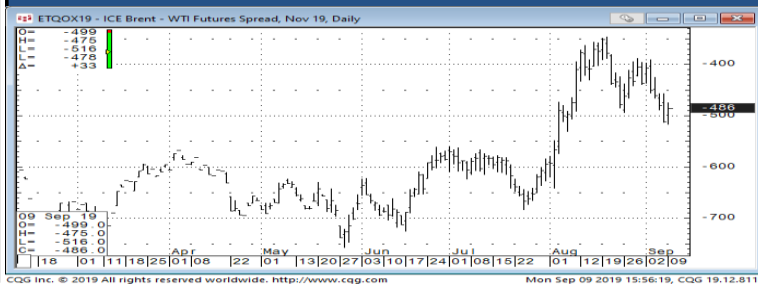
HO - Oct \$1.9472, up 1.95 cents

All NYMEX | Prior Settlements

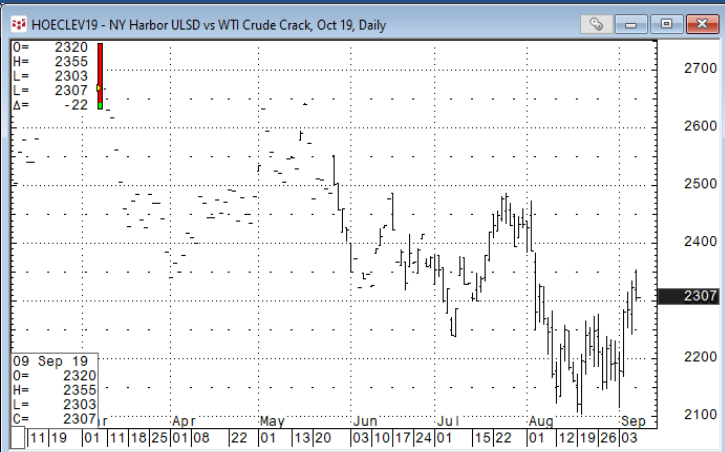
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-19	1.9277	0.0274	0.1244
Nov-19	1.9289	0.0276	0.1230
Dec-19	1.9294	0.0275	0.1218
Jan-20	1.9283	0.0274	0.1207
Feb-20	1.9205	0.0270	0.1189
Mar-20	1.9065	0.0265	0.1163
Apr-20	1.8889	0.0258	0.1132
May-20	1.8771	0.0246	0.1103
Jun-20	1.8683	0.0236	0.1074
Jul-20	1.8675	0.0227	0.1047
Aug-20	1.8684	0.0220	0.1028
Sep-20	1.8699	0.0210	0.1011
Oct-20	1.8712	0.0201	0.0994
Nov-20	1.8724	0.0191	0.0981
Dec-20	1.8725	0.0181	0.0970
Jan-21	1.8741	0.0174	0.0958
Feb-21	1.8698	0.0165	0.0927

Sprague HeatCurve Oct 2019-Apr 2020		\$1.9202
Other Front Month NYMEX		Close
Crude - WTI	Nov Brent-	\$57.7300
Crude - Brent	WTI Spread	\$62.5900
Natural Gas	\$4.86	\$2.5850
Gasoline		\$1.5846
		\$0.0104

ICE November Brent-WTI Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

