

Market Commentary

Recap: Trading in crude oil was choppy on Wednesday, as oil prices moved higher on signs that tensions between the U.S. and China were easing. November WTI was trading at \$53.15 a barrel just prior to the release of the EIA report but gradually rose 59 cents or 1.1% to a session high of \$53.74. Gains were contained by the larger than expected build in U.S. crude oil inventories, with prices ultimately retreating from the highs of the day. November WTI settled at \$52.59 a barrel, down 4 cents, or .08%, and December Brent tacking on 8 cents, or 0.14%. November RBOB rose 0.4% to \$1.5871 a gallon, while November heating oil added 0.5% at \$1.9193 a gallon.

Technical Analysis: Despite trading above the 10-day moving average, November WTI failed to gain enough momentum to the upside, putting technical traders into profit taking mode. As mentioned previously, and barring any major shift in the underlying fundamentals of this market, we would look for continued sideways trading, with WTI holding within the \$51.00 - \$55.00 range. Near term support is set at 51.95, with near term resistance set at \$53.68, the current 10-day moving average.

Fundamental News: Saudi Aramco's Chief Executive, Amin Nasser, said there would be no impact on its stock market listing plans following the attacks on its oil installations last month. He said attacks such as those that occurred on September 14th may continue if there is no concerted international response. He said "an absence of international resolve to take concrete action may embolden the attackers and indeed put the world's energy security at greater risk." Saudi Aramco's Chief Executive said the oil company is on track to regain its maximum oil production capacity of 12 million bpd by the end of the November and that October's crude oil output stood at 9.9 million bpd.

OPEC granted Nigeria a higher oil output target under the OPEC-led deal to limit oil supply in a move unannounced by the group, following efforts by Nigeria to change the agreement to accommodate its expanding oil industry. Three OPEC delegates said the country's allocation was increased to 1.774 million bpd from 1.685 million bpd at the last OPEC meeting in July.

Royal Dutch Shell lifted its force majeure on exports of Nigeria's Bonny Light crude on October 8th. The company announced the force majeure on September 13th after one of the two pipelines taking the grade to the export terminal was shut down.

IIR Energy reported that US oil refiners are expected to shut in 1.91 million bpd of capacity in the week ending October 11th, cutting available refining capacity by 164,000 bpd from the previous week. Offline capacity is expected to fall to 1.59 million bpd in the week ending October 18th.

Euroilstock reported that European crude and oil products stocks in September fell by 0.6% on the month but increased by 3.2% on the year to 1.09 billion barrels. European crude stocks in September increased by 0.1% on the month and 3.7% on the year to 479.46 million barrels, while gasoline stocks increased by 0.5% on the month and by 5% on the year to 110.42 million barrels and middle distillates stocks fell by 1.4% on the month and by 2.6% on the year to 411.23 million barrels. European refinery crude intake in September fell by 5.1% on the month and by 3.6% on the year to 9.974 million bpd.

The head of commodities research at Goldman Sachs sees Brent crude oil at \$60/barrel in the mid-term with risks to the downside.

The CEOs of top independent oil traders said global oil prices will likely hold close to current levels well into next year, with Brent averaging in the \$50-\$60/barrel range, unless the US-China trade tensions are resolved and fears over a new global recession subside.

Early Market Call - as of 8:20 AM EDT

WTI - Nov \$53.26 up 67 cents

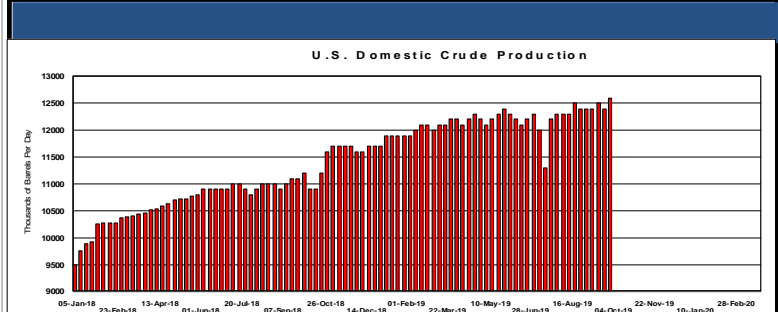
RBOB - Nov \$1.6029 up 1.58 cents

HO - Nov \$1.9372 up 1.79 cents

All NYMEX | Prior Settlements

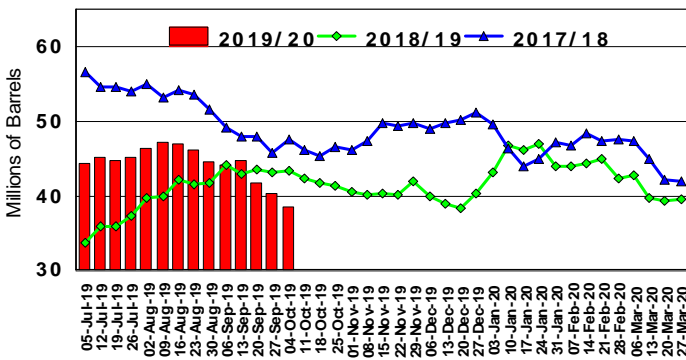
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-19	1.9193	0.0092	0.0463
Dec-19	1.8984	0.0075	0.0355
Jan-20	1.8791	0.0063	0.0280
Feb-20	1.8611	0.0056	0.0238
Mar-20	1.8420	0.0060	0.0224
Apr-20	1.8198	0.0056	0.0198
May-20	1.8052	0.0051	0.0169
Jun-20	1.7967	0.0050	0.0158
Jul-20	1.7952	0.0045	0.0146
Aug-20	1.7957	0.0042	0.0140
Sep-20	1.7978	0.0040	0.0139
Oct-20	1.8006	0.0039	0.0147
Nov-20	1.8037	0.0039	0.0158
Dec-20	1.8040	0.0025	0.0152
Jan-21	1.8044	0.0009	0.0137
Feb-21	1.8005	0.0000	0.0119
Mar-21	1.7918	-0.0008	0.0098

Other Front Month NYMEX		Close	Change
Crude - WTI	Nov Brent-WTI Spread \$5.71	\$52.6100	-\$0.0100
Crude - Brent		\$58.3200	\$0.0800
Natural Gas		\$2.2340	-\$0.0540
Gasoline		\$1.5871	\$0.0062



Weekly EIA Petroleum Status Report for the Week Ending October 4, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 2.927 million barrels

Cushing, OK Crude Stocks Up 941,000 barrels

Gasoline Stocks Down 1.213 million barrels

Distillate Stocks Down 3.943million barrels

Refinery % Operated 85.7%, down 0.7%

PADD #1

Distillate Stocks (in million bbls)	Week Ending Oct 4, 2019	Week Ending Sep 27, 2019	Week Ending Oct 5, 2018
New England	6.9	7.0	7.6
Central Atlantic	20.9	21.8	23.1
Total PADD #1	38.6	40.4	43.3
Distillate Imports (thousands b/d)	87	42	156