

## Market Commentary

**Recap:** The oil market posted an inside trading day on Monday as the market retraced some of last week's sharp losses. The market was supported by concerns that a hurricane forecast to hit Louisiana this week could disrupt production along the U.S. Gulf coast. The oil market was also supported as Libya's National Oil Corp declared force majeure on several crude cargoes loading from the country's Es Sider port as production remained shut in by a political standoff over the central bank and oil revenue. The crude market retraced some of its previous losses and held support above the \$68.00 level after it opened higher in overnight trading amid the supportive hurricane forecast and continuing output shut in Libya. The market later sold off to a low of \$67.31 early in the session. However, as it held support at its previous low, the market bounced back and rallied to a high of \$68.96 in afternoon trading. The October WTI contract settled up \$1.04 at \$68.71 and the November Brent contract settled up 78 cents at \$71.84. The product markets ended the session higher, with the heating oil market settling up 93 points at \$2.1394 and the RB market settling up 2.44 cents at \$1.9204.

**Technical Analysis:** The crude market on Tuesday is seen continuing to trade within its recent trading range, as traders position themselves ahead of the release of the weekly petroleum stocks reports scheduled to be released on Tuesday evening and Wednesday morning. Also, stochastics are trending sideways. The market will remain supported by the hurricane forecast as some oil companies have started to shut in their output and evacuated its workers from its platforms in the Gulf Coast and the continuing output cut in Libya. The market is seen finding support at its low of \$67.31, \$67.25, \$67.17, \$67.05 and \$66.80. Meanwhile, resistance is seen at its high of \$68.96, \$70.13, \$70.82, \$71.46, \$72.38, \$73.62 and \$74.41.

**Fundamental News:** The U.S. Energy Department said it has awarded contracts for the acquisition of more than 3.4 million barrels of crude oil for the SPR to be delivered from January 2025 through March 2025.

The U.S. National Hurricane Center said Tropical Storm Francine has formed over the Louisiana coast and is expected to gain hurricane strength on Wednesday.

U.S. Gulf of Mexico oil and gas producers were evacuating staff and halting drilling to prepare for Tropical Storm Francine on Monday as it moved through the energy region on a path to bring high winds and heavy rain to the U.S. mid-South. Francine is likely to bring storm surge to the upper Texas and Louisiana coasts and hurricane force winds to Southern Louisiana this week. Exxon Mobil said it shut in output and evacuated staff from its Hoover offshore production platform. Shell paused some drilling operations at its Perdido and Whale offshore platforms in the Gulf of Mexico on Monday as Storm Francine approaches the Texas coast. It also began evacuating non-essential personnel from its Gulf of Mexico Enchilada/Salsa and Auger offshore facilities. Meanwhile, Chevron is evacuating non-essential workers from its Anchor, Big Foot, Jack/St. Malo and Tahiti oil platforms. Occidental Petroleum said it was prepared to implement storm plans as appropriate.

Sources stated that Libya's National Oil Corporation late last week declared force majeure on several crude cargoes loading from the Es Sider oil port. NOC did not declare force majeure on all loadings for the port, a measure that would have shut all loadings.

IIR Energy reported that U.S. oil refiners are expected to shut in about 311,000 bpd of capacity in the week ending September 13<sup>th</sup>, increasing available refining capacity by 166,000 bpd. Offline capacity is expected to increase to 535,000 bpd in the week ending September 20<sup>th</sup>.

**Early Market Call - as of 8:25 AM EDT**

WTI - Oct \$67.95, down 76 cents

RBOB - Oct \$1.9138, down 66 points

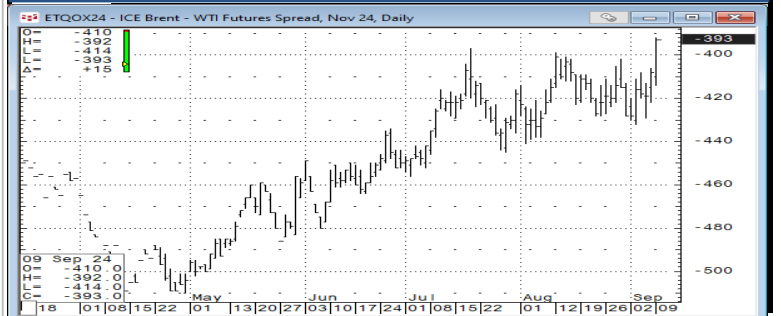
HO - Oct \$2.1278, down 1.16 cents

## All NYMEX | Prior Settlements

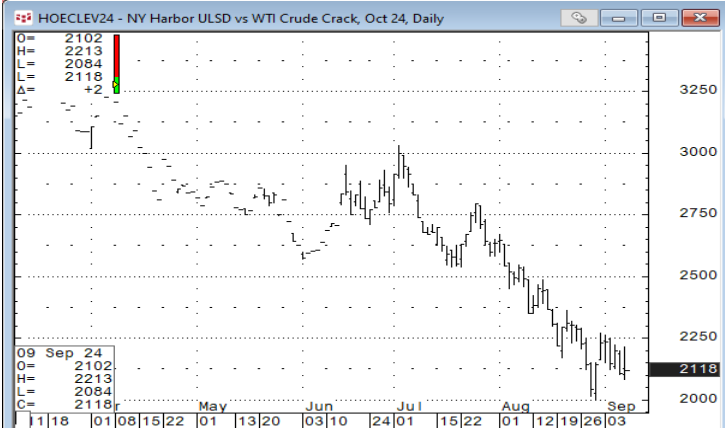
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.1394	0.0244	-0.1389
Oct-24	2.1534	0.0210	-0.1403
Nov-24	2.1653	0.0187	-0.1361
Dec-24	2.1752	0.0181	-0.1332
Jan-25	2.1768	0.0170	-0.1295
Feb-25	2.1700	0.0155	-0.1249
Mar-25	2.1600	0.0146	-0.1206
Apr-25	2.1556	0.0138	-0.1165
May-25	2.1545	0.0129	-0.1127
Jun-25	2.1633	0.0120	-0.1091
Jul-25	2.1724	0.0115	-0.1060
Aug-25	2.1815	0.0109	-0.1034
Sep-25	2.1904	0.0106	-0.1003
Oct-25	2.1953	0.0110	-0.0952
Nov-25	2.1968	0.0117	-0.0890
Dec-25	2.1997	0.0116	-0.0844
Jan-26	2.1768	-0.0098	-0.1012

Sprague HeatCurve October 2024-April 2025		Close	
Crude - WTI	Nov Brent-	\$67.9100	\$0.9300
Crude - Brent	WTI Spread	\$71.8400	\$0.7800
Natural Gas	\$3.93	\$2.1700	-\$0.1050
Gasoline		\$1.9204	\$0.0244

### ICE November Brent-WTI Spread



## October Heating Oil Crack Spread



## October RBOB Crack Spread

