

Market Commentary

Recap: The crude market on Friday ended the session lower as oil companies in the Gulf Coast were resuming operations after Hurricane Francine forced the evacuation of production platforms. In overnight trading, the market continued to extend its previous gains on the back of the output disruptions in the U.S. Gulf of Mexico. Official data showed that nearly 42% of the region's oil output was shut in as of Thursday. The market breached its previous high and retraced more than 38% of its move from a high of \$77.60 to a low of \$65.27 as it rallied to a high of \$70.32 by mid-morning. However, the market erased its gains and sold off to a low of \$68.47 ahead of the close as energy companies restarted operations. The October WTI contract settled down 32 cents at \$68.65 and the November Brent contract settled down 36 cents at \$71.61. The product markets ended the session mixed, with the heating oil market settling down 3.45 cents at \$2.0843 and the RB market settling up 32 points at \$1.9302.

Technical Analysis: The oil market is seen remaining range bound as it continues to erase some of its recent gains as shut in output in the Gulf Coast continues to resume over the weekend. The market is seen refocusing on concerns over demand, which had been pressuring the market before it was well supported by the production shut ins due to the hurricane. The market is seen finding support at its low of \$68.47, \$67.24, \$65.63, \$65.27 and \$63.64. Meanwhile, resistance is seen at its high of \$70.32, \$70.82, \$71.46 and \$72.89.

Fundamental News: U.S. energy companies this week added oil and natural gas rigs for the first time in five weeks in the largest weekly increase in a year. Baker Hughes reported that the oil and natural gas rig count increased by 8 in the week ending September 13th to 590. It was the largest increase since the week ending September 15, 2023. It said oil rigs increased by 5 to 488 this week, while gas rigs increased by 3 to 97.

The U.S. Bureau of Safety and Environmental Enforcement said about 732,316 bpd or 42% of crude production and 992 mcm or 52% of natural gas output in the U.S. Gulf of Mexico were offline in the aftermath of Hurricane Francine. There were barrels per day of oil and 973.2 million cubic feet of natural gas still offline two days after Francine hit the coast.

U.S. Gulf of Mexico energy firms were returning to operation from hurricane disruptions as offshore oil and gas producers ramped up operations after halving the region's output. On Friday, Shell was increasing its oil production at five offshore platforms while four others remained offline due to pipeline disruptions. Chevron returned staff to three offshore platforms on Thursday and was restarting operations. According to reports by the U.S. Coast Guard, most terminals in Louisiana including the key ports of New Orleans and the Louisiana Offshore Oil Port are back in service. Texas ports including Texas City and Lake Charles that reopened earlier this week following Francine were on Friday servicing tankers. Refineries that account for 20% of U.S. Gulf Coast motor fuel production were returning to normal operations after some curbed output as the hurricane passed through Louisiana.

IIR Energy said U.S. oil refiners are expected to shut in about 530,000 bpd of capacity in the week ending September 13th, cutting available refining capacity by 23,000 bpd. Offline capacity is expected to increase to 599,000 bpd in the week ending September 20th and then further to 870,000 bpd in the week ending September 27th.

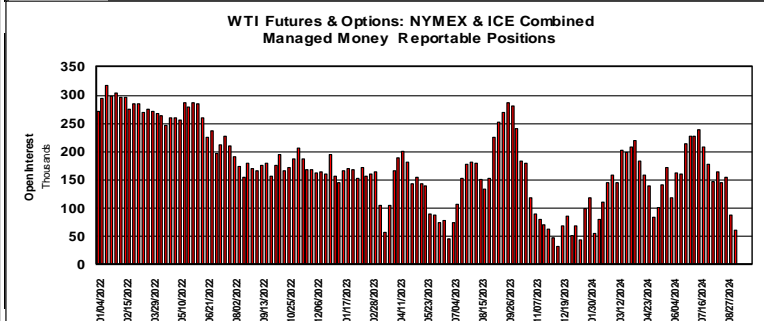
Early Market Call - as of 8:40 AM EDT

WTI - Oct \$69.27, up 62 cents
 RBOB - Oct \$1.9526, up 2.24 cents
 HO - Oct \$2.0768, down 79 points

All NYMEX | Prior Settlements

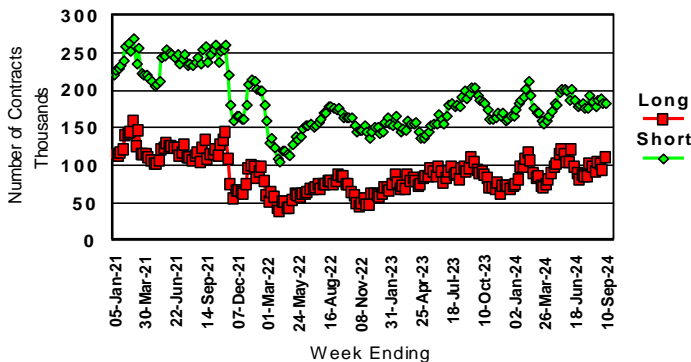
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.0843	-0.0345	-0.0307
Oct-24	2.1009	-0.0331	-0.0315
Nov-24	2.1154	-0.0312	-0.0312
Dec-24	2.1263	-0.0306	-0.0308
Jan-25	2.1311	-0.0295	-0.0287
Feb-25	2.1282	-0.0275	-0.0263
Mar-25	2.1225	-0.0257	-0.0229
Apr-25	2.1207	-0.0251	-0.0211
May-25	2.1213	-0.0252	-0.0203
Jun-25	2.1311	-0.0249	-0.0202
Jul-25	2.1413	-0.0246	-0.0196
Aug-25	2.1521	-0.0242	-0.0185
Sep-25	2.1627	-0.0240	-0.0171
Oct-25	2.1678	-0.0239	-0.0165
Nov-25	2.1699	-0.0232	-0.0152
Dec-25	2.1745	-0.0223	-0.0136
Jan-26	2.1311	-0.0637	-0.0555

Sprague HeatCurve October 2024-April 2025		Close	
Crude - WTI	Nov Brent- WTI Spread \$3.86	\$67.7500	-\$0.4000
Crude - Brent		\$71.6100	-\$0.3600
Natural Gas		\$2.3050	-\$0.0520
Gasoline		\$1.9302	\$0.0032



Commitment of Traders Report for the Week Ending September 10, 2024

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

