

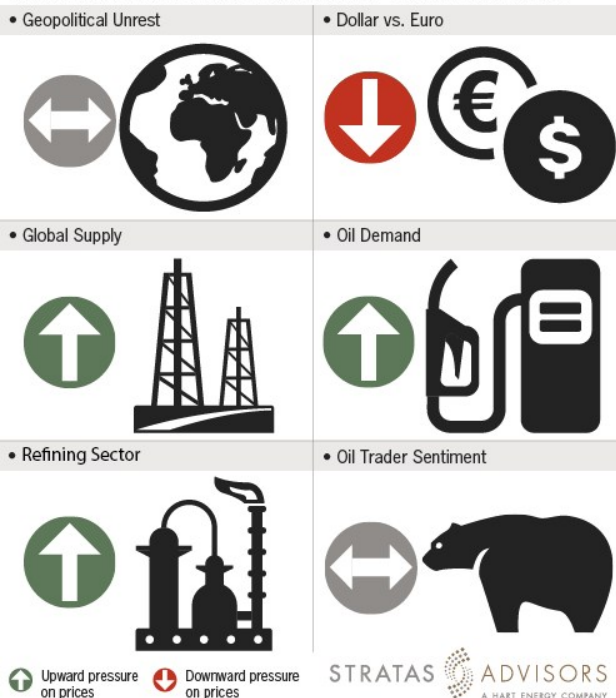
## What's Affecting Oil Prices the Week of September 10, 2018?

Brent rose \$0.49/bbl last week to average \$77.38/bbl, and WTI fell \$0.86/bbl to average \$68.53/bbl. We expect Brent to maintain its recent strength, averaging about \$77/bbl this week.

This month will start to prove which countries will continue to import Iranian crude oil. Purchases for delivery in early November will typically be loaded in mid-October, but secured up to a month in advance, aka now. China and India continue to express an interest in receiving Iranian crude, likely via tankers owned by Tehran. Short-term Brent has flipped into backwardation, indicating market expectations for a supply crunch.

While the outlook for demand remains positive, there is increasing chatter about higher prices for refined products both this fall and over the next eight quarters. Petrobras this week introduced a gasoline price-hedging mechanism in an attempt to cut down on fuel price volatility heading into hurricane season and election season. A similar mechanism is being considered for diesel prices. At the same time, concerns are rising about the potential fuel price impact of upcoming IMO regulations, with airlines reportedly hedging 2020 fuel purchases in anticipation of higher prices.

### WHAT'S AFFECTING OIL PRICES THE WEEK OF SEPTEMBER 10, 2018?

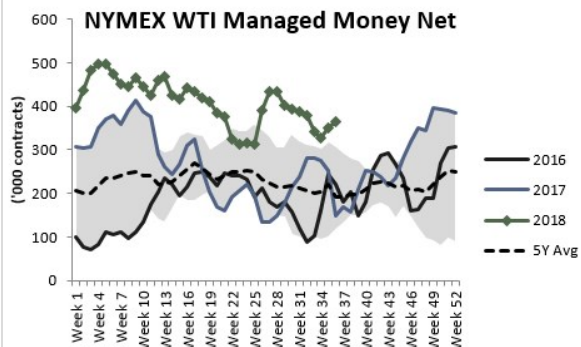


**Geopolitical – Neutral**

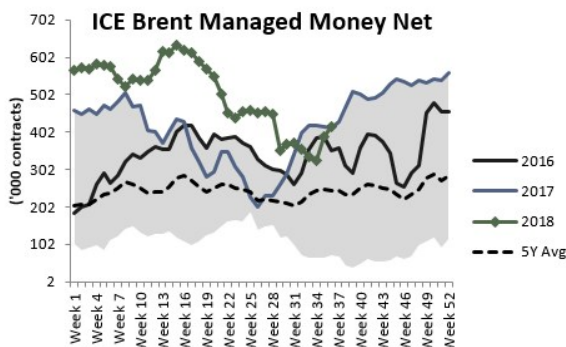
Dollar – Negative

Trader Sentiment – Neutral

**NYMEX WTI Managed Money Net**



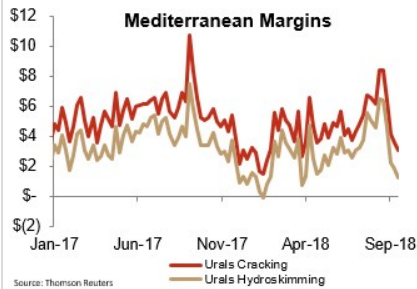
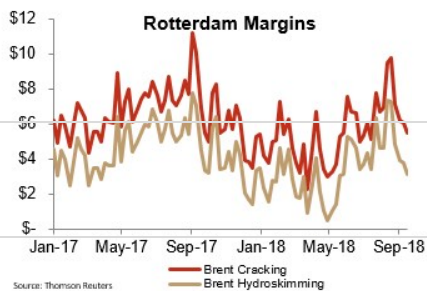
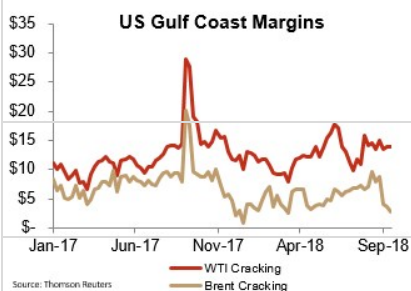
**ICE Brent Managed Money Net**



Supply – Positive

Demand – Positive

Refining Margins – Positive



How We Did