









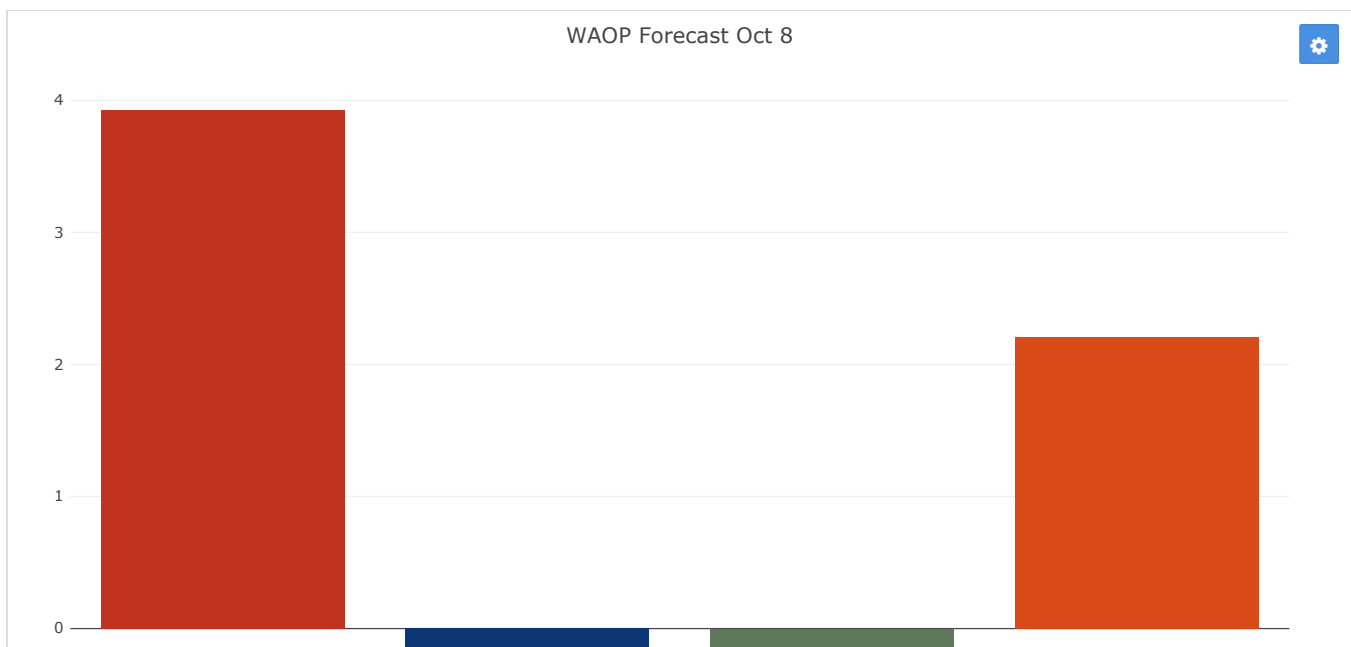
What's Affecting Oil Prices the Week of October 8, 2018?

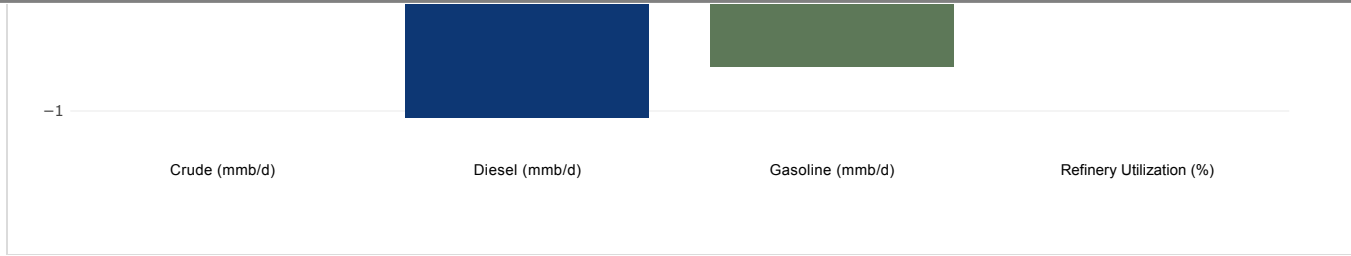
WHAT'S AFFECTING OIL PRICES THE WEEK OF OCTOBER 8, 2018?

<ul style="list-style-type: none"> • Geopolitical Unrest 	<ul style="list-style-type: none"> • Dollar vs. Euro 
<ul style="list-style-type: none"> • Global Supply 	<ul style="list-style-type: none"> • Oil Demand 
<ul style="list-style-type: none"> • Refining Sector 	<ul style="list-style-type: none"> • Oil Trader Sentiment 

 Upward pressure on prices
  Downward pressure on prices

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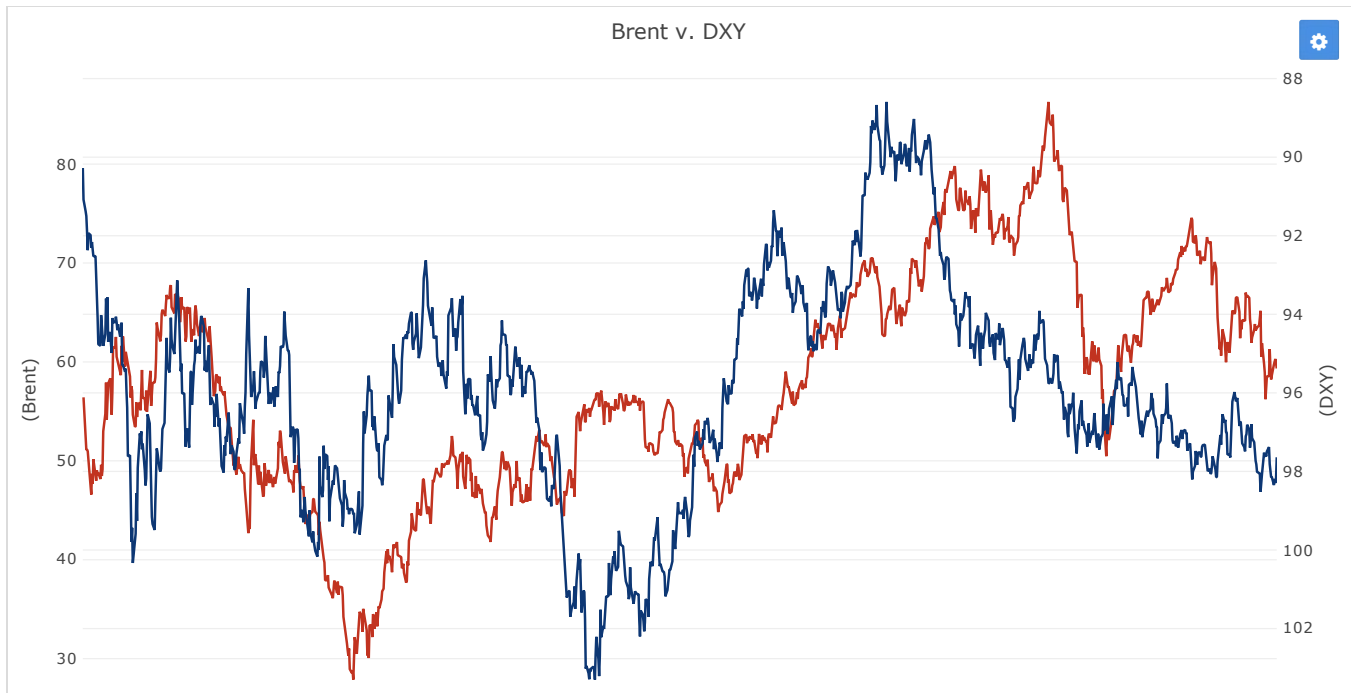


Brent continued its meteoric rise, increasing \$3.19/bbl last week to average \$84.96/bbl. WTI increased \$2.86/bbl to average \$75.12/bbl. Markets continue to move on concerns about supply tightness as Nov. 4 approaches. As outlined in our recent note [Crude Awakening on the Way](#), the recent rally is not supported by any immediate changes in fundamentals and instead appears to be sentiment driven. Barring sudden fundamental support, technical indicators suggest that a correction is coming. However, an emotionally driven rally can be difficult to time, and prices will likely remain supported through the week, with a ceiling of \$85/bbl.

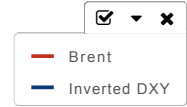
There has been one interesting side effect to the crude price rise, with a government official revealing on Friday that the Trump administration was considering granting waivers to countries that have reduced imports of Iranian crude. When the sanctions were originally announced in May, significant reduction exemptions (SREs) were a red line. Clearly the Administration has been rattled by the recent price increase. Additionally, by granting waivers to countries that were already planning to continue imports of some degree, the United States can avoid an unnecessary political confrontation. News that waivers might be granted could remove some support from prices, especially once waivers are officially granted.

Geopolitical – Positive

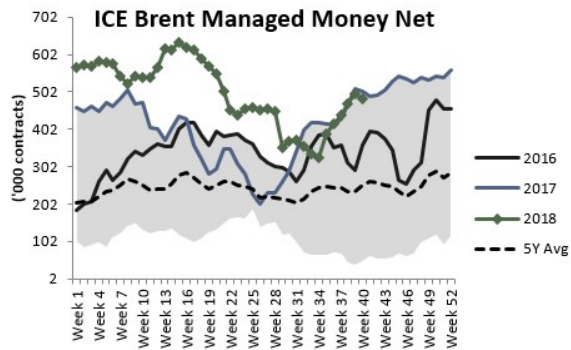
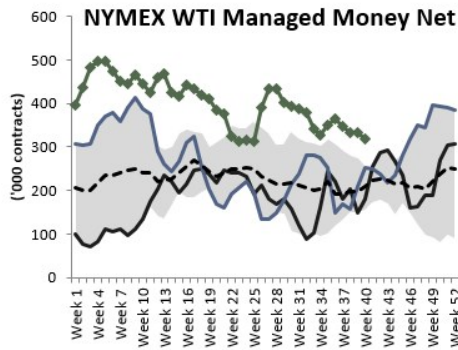
Dollar - Neutral



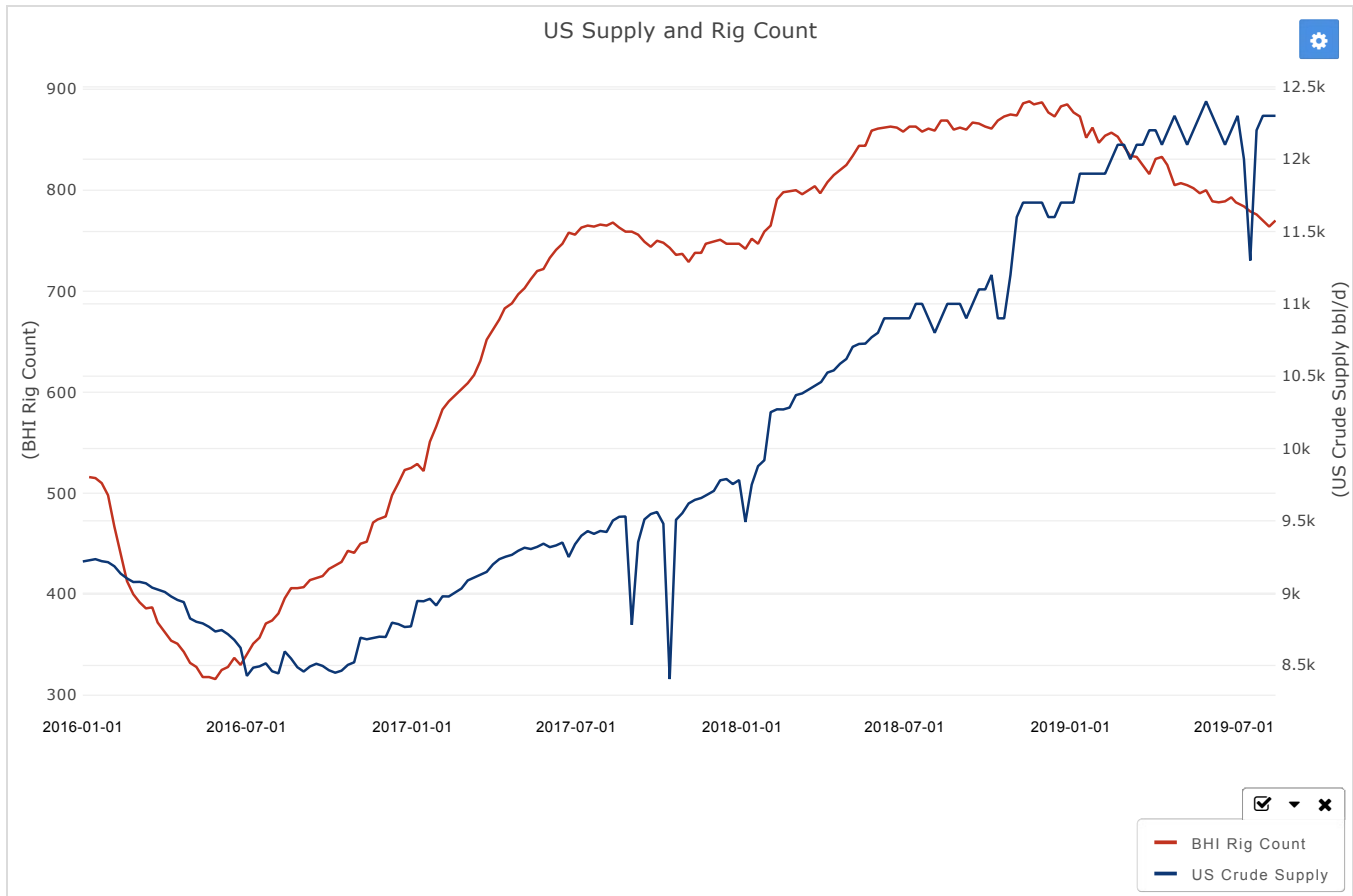
2015-01-01 2015-07-01 2016-01-01 2016-07-01 2017-01-01 2017-07-01 2018-01-01 2018-07-01 2019-01-01 2019-07-01



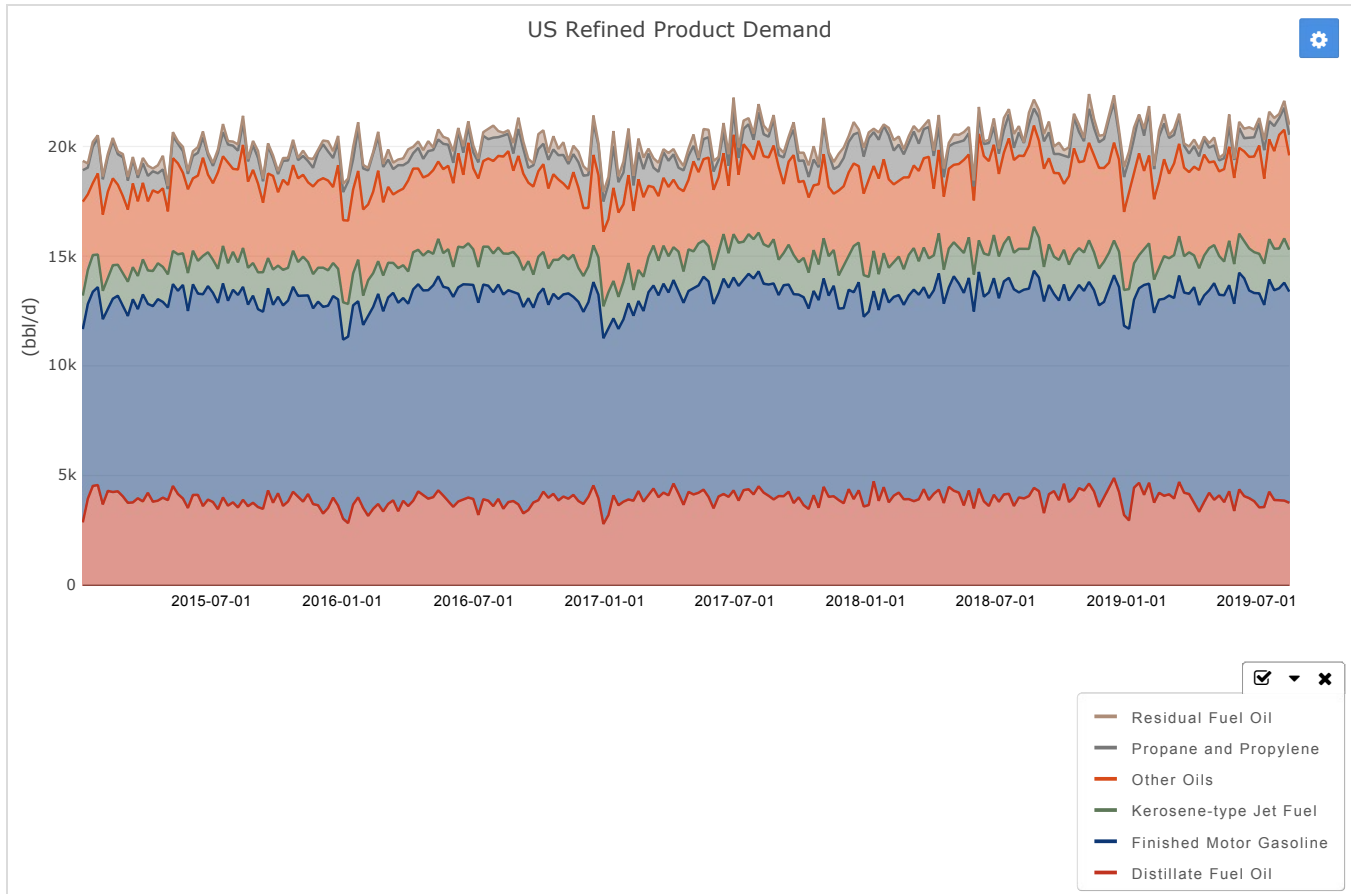
Trader Sentiment – Positive



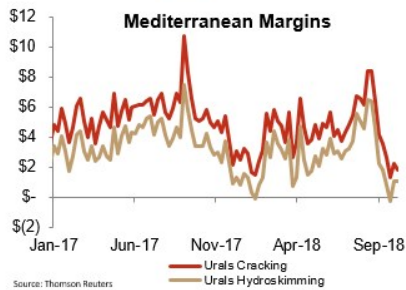
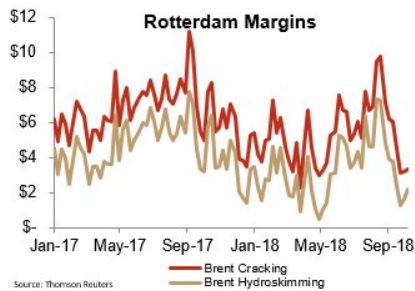
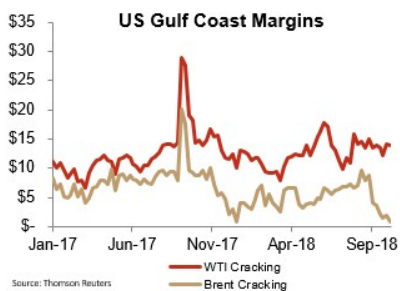
Supply – Positive



Demand – Neutral

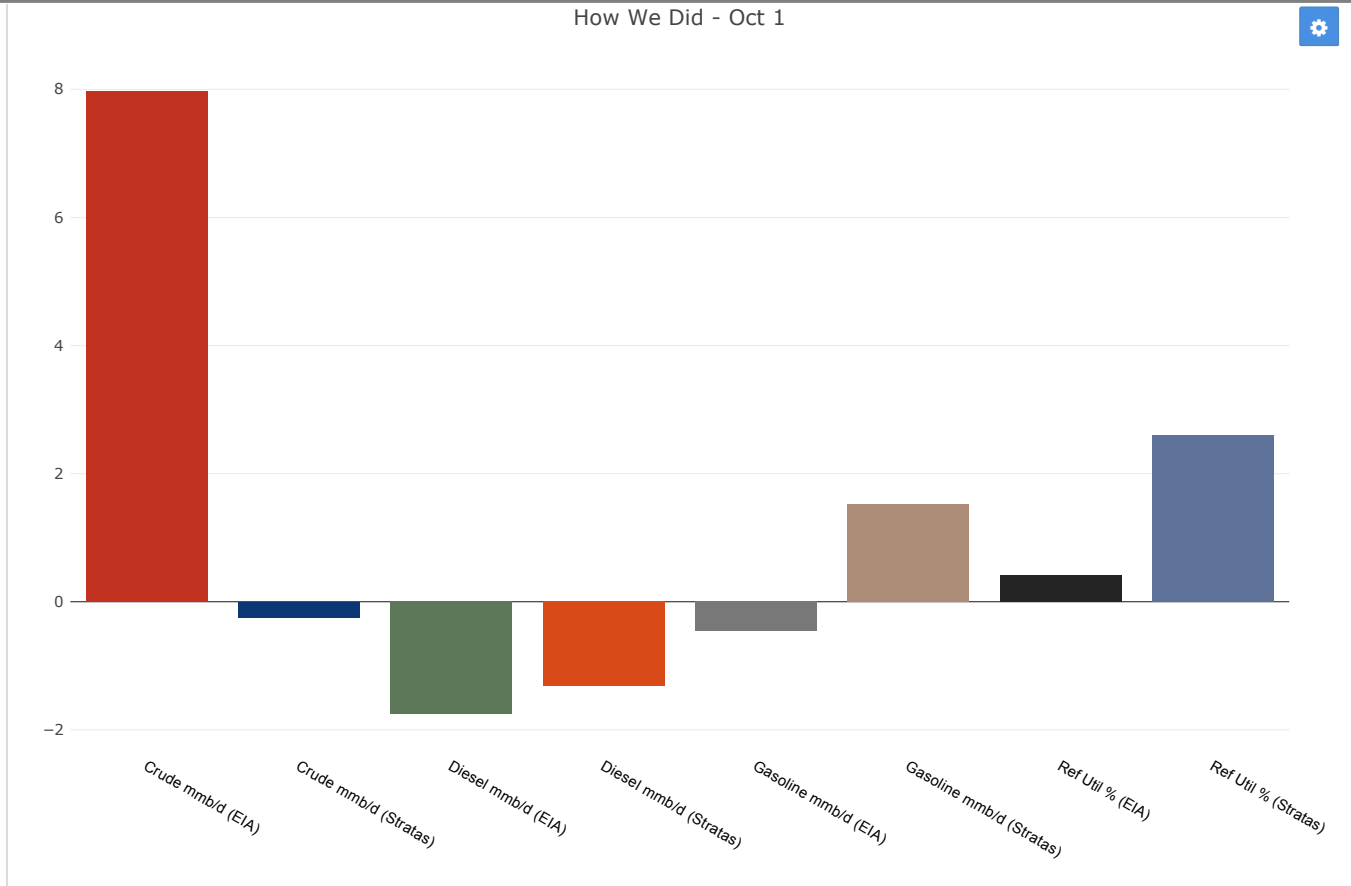


Refining Margins - Negative



How We Did

How We Did - Oct 1



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