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SINCE 1919

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Today's Market News

Russia Exports: Russia announced on Thursday that it had temporarily banned exports of gasoline and diesel to all countries outside a circle of four ex-Soviet states with immediate effect in order to stabilize the domestic market. Today the Russian government has approved some changes to its fuel export ban, lifting the restrictions for fuel used as bunkering for some vessels as well as diesel with high content of Sulphur. The ban on all types of gasoline and high-quality diesel remains in place. Russia in recent months has suffered shortages of gasoline and diesel. Wholesale fuel prices have spiked, although retail prices are capped to try to curb them in line with official inflation. The crunch has been especially painful in some parts of Russia's southern breadbasket, where fuel is crucial for gathering the harvest.

Rig Count: The number of rigs in the United States decreased to 625 this week, a decrease of eleven compared to the previous week, as reported by Baker Hughes. Out of these rigs, there were 507 dedicated to oil production, which saw a decrease of eight rigs from the previous week. Additionally, there were 118 gas drilling rigs, which saw a decrease of three from the previous assessment period. Notably, the early indicator of future output remains at one of its lowest levels since early February 2022. U.S. producers have 95 fewer rigs drilling crude wells for them than they did at this time last year.

Goldman Sachs: Goldman Sachs raised its price forecast for Brent crude from $93 to $100 per barrel. Goldman said that global crude inventories declined 2 million bpd this quarter and will continue to decline at a 1.1 million bpd clip next quarter. The reason is that global demand has held up, setting a record in August at over 103 million bpd, while OPEC+ has cut production by 3 million bpd.

Market Overview: This morning the market is steading after Russia altered their export ban. The ban on all types of gasoline and high-quality diesel, announced last Thursday, remains in place. So, the majority of the ban is still at play to help their domestic economy. Crude also continues to get support from the cuts from OPEC to the lower rig count in the United States. The higher crude prices usually spur drilling activity, but recently it has not caused a change in policy by producers to maintain fiscal discipline.

Energy Highlights

Please call your account manager for a larger chart.

Rig Count US and Canada:

Rig Count				
	United States		Canada	
	Oil	Natural Gas	Oil	Natural Gas
9/22/2023	507	118	115	75
9/15/2023	515	121	119	71
Net Change	-8	-3	-4	4
Year Ago	602	160	148	67
Net Change	-95	-42	-33	8
Source: Baker Hughes				

The table above shows U.S. producers have 95 fewer rigs drilling crude wells for them than they did at this time last year. The number of active crude rigs fell by 8 this week. Higher crude prices have not caused a change in policy by producers to maintain fiscal discipline. Meanwhile crude production from the nation's large shale fields has dropped over the last three months. What's interesting is that typically crude prices usually spur drilling which is why this is a market mover because drillers are remaining remarkably strong and not drilling.

Contract	NYMEX as of 07:43 AM			Support	Resistance
Oct 23RBOB	↑	0.0055 @	2.5673	2.5517	2.7520
Oct 23 HO	↓	0.0292 @	3.2770	3.2699	3.5092
Nov 23 WTI	↓	0.32 @	89.71	88.37	93.74