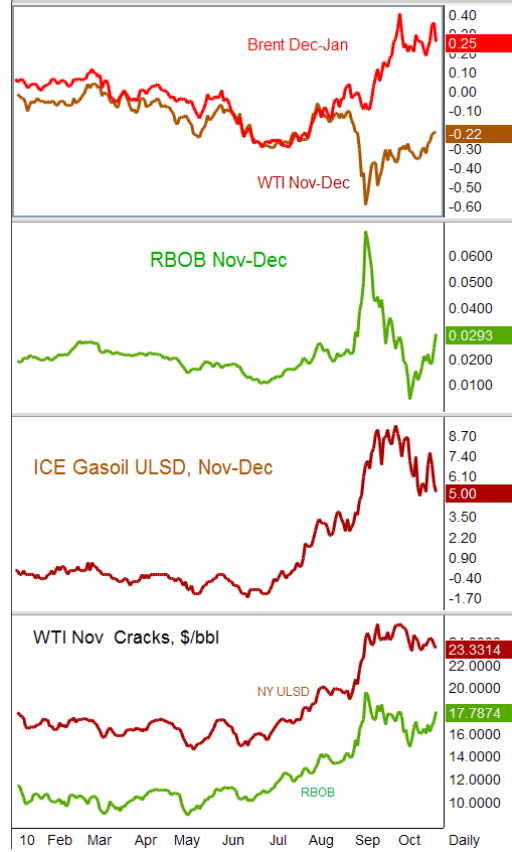


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DAILY MARKET REPORT

20-OCT-17

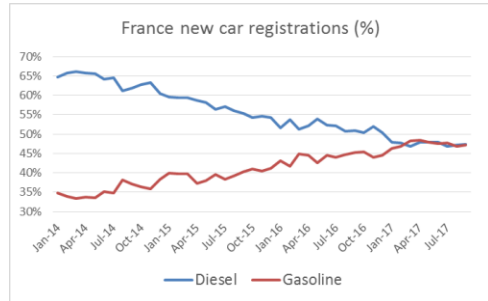
		Latest c.o.b.	Daily Change	Daily Change %
WTI (\$/bbl)	Nov	51.29	-0.75	-1.44%
Brent (\$/bbl)	Dec	57.23	-0.92	-1.58%
RBOB (\$/gal)	Nov	1.6447	0.0018	0.11%
NY ULSD (\$/gal)	Nov	1.7767	-0.0261	-1.45%
Natgas US (\$/mmbtu)	Nov	2.8730	0.0190	0.67%
<hr/>				
Heat Crack vs WTI (\$/bbl)	Nov	23.33	-0.35	
RBOB Crack vs WTI (\$/bbl)	Nov	17.79	0.82	
321 Crack vs WTI (\$/bbl)	Nov	19.64	0.44	
Heat Crack vs Brent (\$/bbl)	Dec	17.44	-0.17	
RBOB Crack vs Brent (\$/bbl)	Dec	10.62	0.77	
321 Crack vs Brent (\$/bbl)	Dec	12.89	0.46	
Brent vs WTI (\$/bbl)	Dec	5.72	-0.17	
<hr/>				
WTI Timespread (\$/bbl)	Nov/Dec	-0.22	0.00	
Brent Timespread (\$/bbl)	Dec/Jan	0.25	-0.10	
RB Timespread (cts/gal)	Nov/Dec	2.93	0.54	
NY ULSD Timespread (cts/gal)	Nov/Dec	-0.11	-0.02	
ICE Gasoil Timespread (\$/MT)	Nov/Dec	5.00	-0.50	
<hr/>				
Gold		1,290.00	7.00	0.55%
GSCI		2,332.32	-13.26	-0.57%
S&P 500		2,562.10	0.84	0.03%
Amex Oil Index		1,215.52	-2.20	-0.18%
Dollar Index		93.27	-0.10	-0.10%
VIX		10.05	-0.02	-0.20%



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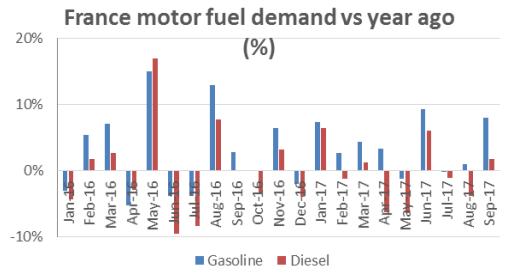
FRANCE- SEPTEMBER

Demand for oil products in France during September was +4.1% higher than a year ago. Demand for diesel was up just +1.8% but gasoline demand continues to rebound with the



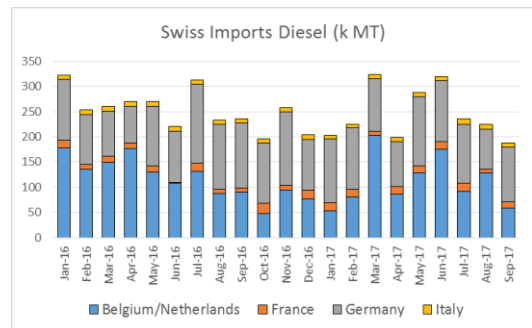
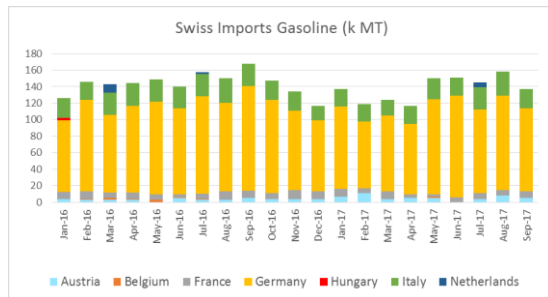
change of the car market back towards gasoline engines; gasoline fuel sales were +8.0% higher

than a year ago. Total sales were also helped by strong buying of heating oil (+23.5% y/y) in front of the winter.



SWITZERLAND TRADE- SEPTEMBER

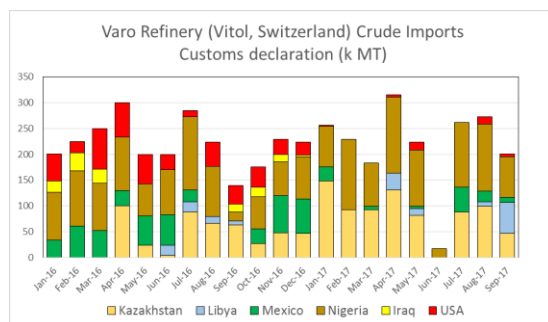
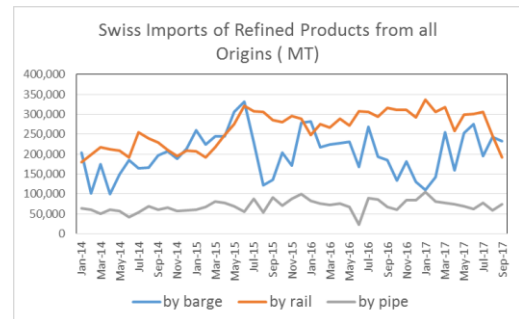
Swiss imports of diesel in September were at the lowest level since September 2015. Imports from ARA dropped to just 58 kMT, more than half the August level and the lowest level since January. Imports of diesel were -20% lower than a year ago.



Imports of gasoline were also down versus August and down -18% compared to September of 2016.

Imports of products by

barge were stable versus August but they dropped from ARA and increased from Germany. Imports by rail from Germany were however lower by the same amount that imports by barge from that country were higher.



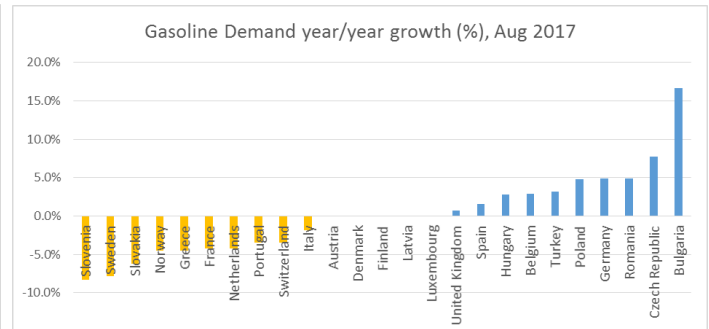
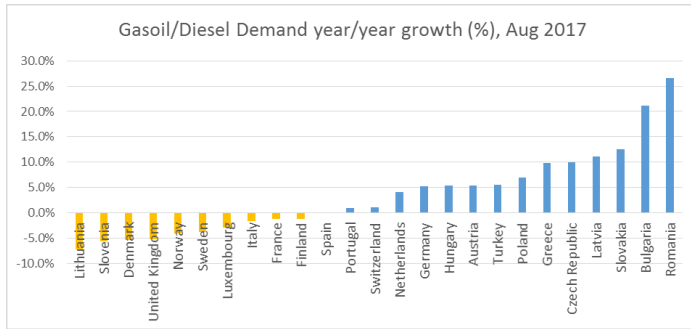
The crude oil intake

declared to customs by the Vitol (Varo) Swiss refinery dropped versus August. The crude slate of the Varo refinery increased its share of Libyan crude oil (30%), Nigeria was 39% of the slate and Kazakhstan 23%.

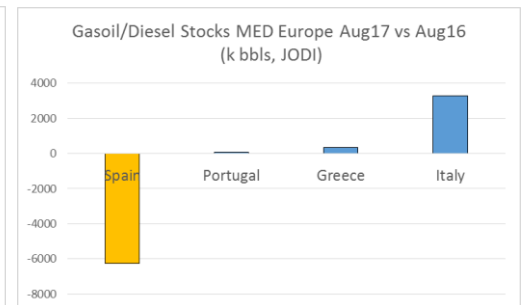
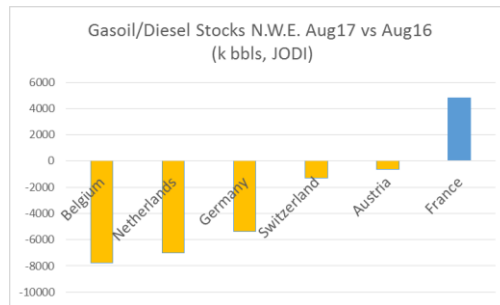
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TOTAL EUROPE DEMAND- AUGUST

According to the preliminary European data as published by JODI, European gasoil/diesel demand in August was +1.4% higher than a year ago. Most of the Eastern and Central European countries had strong growth of gasoil/diesel demand while Northern and Western European countries (except The Netherlands and Germany) had a contraction. Overall gasoline demand is higher by +0.5% compared to last year.



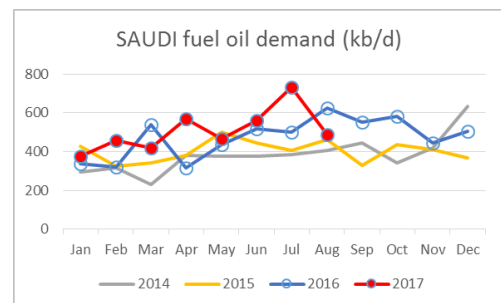
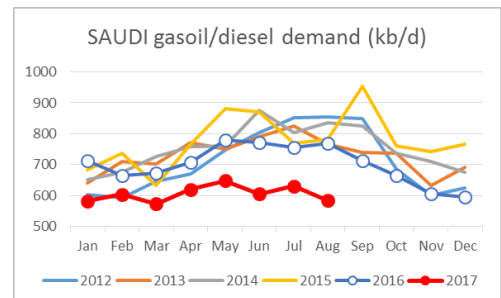
Gasoil/diesel stocks (including government stocks) in the ARA region (Netherlands + Belgium) are reported with a deficit of -14 myn bbls versus a year ago, Germany is -5.4 myn bbls lower and France +4.8 myn bbls higher. In the Mediterranean region, Spain has stocks -6.3 myn bbls below last year and Italy is higher by +3.3 myn bbls.



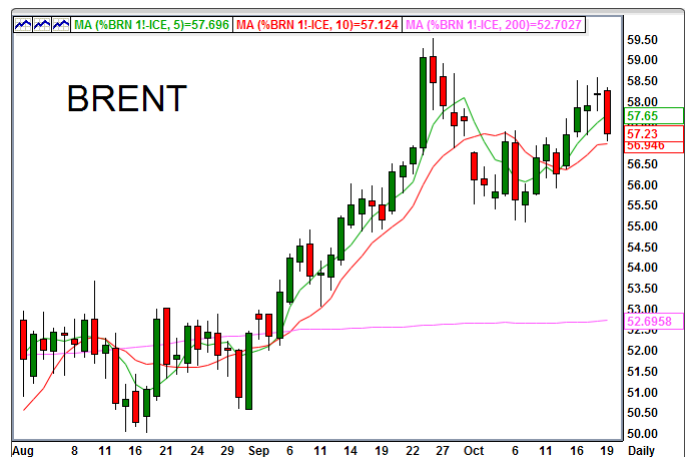
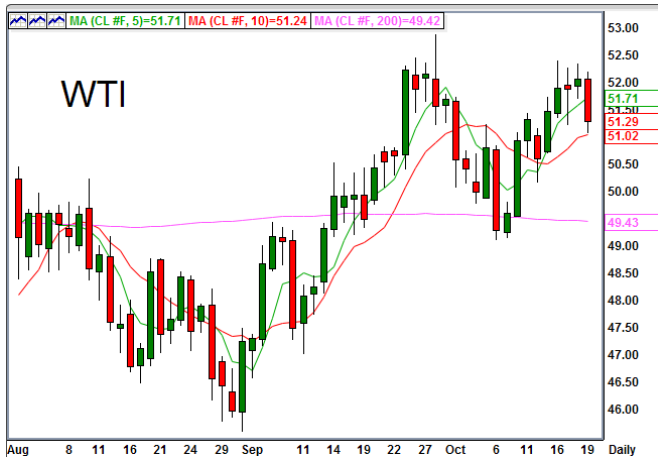
SAUDI ARABIA- AUGUST

The official Saudi data for August was released through JODI and for crude oil it is a lot of unchanged: versus July, production was lower by -59 kb/d, runs lower by -67 kb/d, exports up by +10 kb/d at 6'703 kb/d, crude oil used for power generation +2 kb/d and stocks down by -1 myn bbls. The historical JODI data has become less market-relevant for crude oil now that Saudi Arabia has started to communicate about forward crude oil exports (November exports should be at 7.15 myn b/d, -1.1 myn b/d less than November 2016 but +0.5 myn b/d more than August 2017).

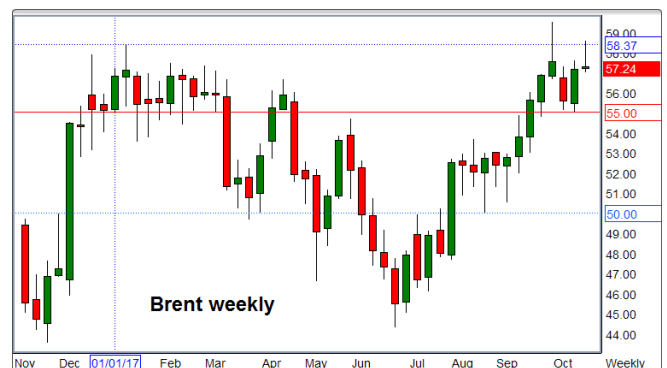
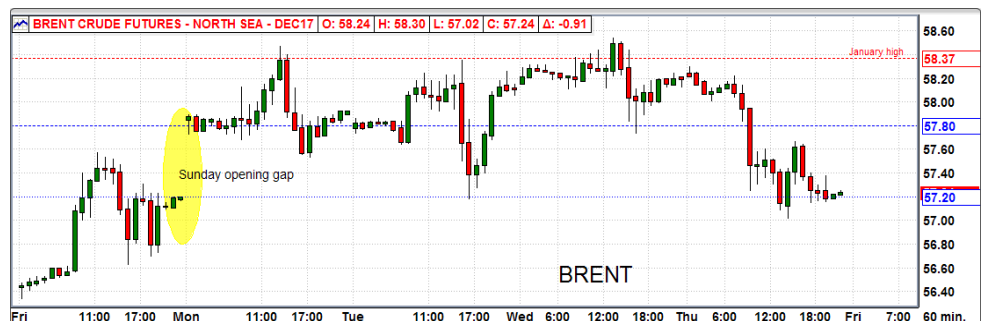
On the oil demand side, gasoline is shown unchanged versus last year (-0.3%) while gasoil/diesel continues to show demand destruction (-24.1% y/y), with gasoil imports down -158 kb/d y/y while exports are +54 kb/d higher. The drop in gasoil demand was not replaced by fuel oil demand, shown -22.0% down y/y. Total oil demand is reported down -8.8% in August versus last year.



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Crude oil futures had a bit of a flash crash yesterday during the European hours, falling sharply in a short span of time that included selling of the euro/dollar and of stock index futures: we think that this sharp cross-asset move was triggered by headlines coming out at that time that Spain was preparing to strip Catalonia of its autonomy. Selling on that wave only stopped when Brent reached the lows of Tuesday. If the euro/dollar and the stock index futures managed to rise back from those headlines, crude oil did not and it drifted even lower into the US open. However Brent could not attack 57.00 \$/bbl (low of 57.02 \$/bbl) and crude oil futures stabilized for most of the US session. Brent closed yesterday (57.23 \$/bbl) at about the same level as the close of last Friday (57.17 \$/bbl) making so far a weak weekly chart; stopped in the same range as in January and February. Conflict around Kirkuk and some interruption to the pipeline flows from Kurdistan did nothing to oil prices so far this week and the high of January (58.37 \$/bbl) remains a strong resistance for Brent.



The RBOB crack was supportive but the front Brent time-spread suffered. Today is the expiry of the WTI November contract. The USO (WTI ETF) continues to see outflows.

In Brent we trace a first resistance at 57.80 \$/bbl followed by 58.37 \$/bbl (high of January, an important level on a daily close and weekly close basis) and 59.00 \$/bbl. The double-top test is at 59.49 \$/bbl. First support at 57.20 \$/bbl followed by 57.00 \$/bbl and 56.00 \$/bbl.

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In WTI, with the expiry of the November contract, the volume moves to the December contract, where we trace a first resistance at 52.00 \$/bbl followed by 52.40 \$/bbl and 52.86 \$/bbl (double-top test). First support at 51.20 \$/bbl followed by 51.00 \$/bbl and 50.20 \$/bbl.

Main news headlines yesterday/overnight:

- **Rosnetf takes a 60% control of the Kurdish oil pipeline**
- Pipeline flows from Kurdistan stay at low level, Baghdad hopes to bring them back to normal levels by the end of the week
- Iraq Prime Minister invited next week by the king of Saudi Arabia
- OPEC member Ecuador to ask for cut exemption
- US natural gas stocks increase +51 Bcf
- Shell lifts force-majeure on Bonny Light exports