

## US Domestic Pipeline Market Weekly Wrap

In the wake of the largest one day rise in global crude prices in history, US domestic grades spiked across the board early this week, with medium sour Mars leading the way. With uncertainty surrounding the availability of Saudi barrels after the attack on Abqaiq Mars' premium to domestic sweet increased \$1.81 over last week's values on Monday and remained relatively strong for the balance of the week. Volatility also returned to coastal benchmark WTI Houston, as traders began sifting through the impact of the attack on global crude flows. On Monday MEH traded as high as \$4.75 before settling back to trade from \$3.25 to \$4.00 the remainder of the week. And while volume for October trade totaled just over 5 million barrels through the first three weeks, demand for the light sweet barrel increased significantly, with 6.7 million barrels trading this week alone. Also, trade for Bakken delivered via the DAPL pipeline surged after pipeline nominations were announced and shippers looked to collect on the increased arbitrage amid increased demand for sweet barrels. Trading from \$3.20 to \$2.75 over domestic sweet on Wednesday, Bakken's discount to MEH has been stable at roughly .30 cents throughout the October trade cycle. In contrast to MEH and Bakken, volumes for LLS remain light, with reported trades on just 8 days this trade cycle. In the Permian, Midland WTI traded as high as .75 over domestic sweet on Monday amid the scramble for barrels following Saturday's attack, and spent the rest of the week at a premium to domestic sweet, ending the session .34, almost .60 cents stronger than last week. In light of the uncertainty surrounding Arab light barrels, we expect continued demand for US light sweet crudes for the foreseeable future.



### Link Daily Assessments

GRADE	MON	TUE	WED	THU	FRI
LLS	4.30	3.50	3.55	4.15	4.15
MARS	2.89	2.76	2.67	2.69	2.55
MID	.48	.19	.26	.30	.34
MEH	4.29	3.53	3.47	3.45	3.98

### Forward Curve

GRADE	4Q19	1Q20	2Q20	3Q20	4Q20	1H20	2H20	Cal 20	Cal 21
MIDSWT	0.47	0.40	0.50	0.55	0.55	0.45	0.55	0.50	0.70
MEH	3.00	2.15	2.15	2.30	2.40	2.15	2.35	2.25	2.35
WTS	-0.05	0.15	0.15	0.20	0.30	-1.62	-1.82	0.20	0.00
LLS	3.45	2.75	2.75	2.90	3.00	2.75	2.95	2.85	2.45
MARS	1.42	-1.15	-1.65	-1.75	-1.85	-1.40	-1.80	-1.60	-1.90