

Market Commentary

Recap: Oil futures rose for the fifth consecutive session, driven by weakness in the dollar and reports of supply disruptions in Nigeria. Brent rose as much as 64 cents, or 1.3% to a high of \$49.06 a barrel, while WTI gained 66 cents, or 1.4%, reaching a high of \$46.74 a barrel. Gains were slightly pared, with September Brent finishing the session at \$48.91, up 49 cents, or 1.01%, or 4.7% on the week, while August WTI tacked on 46 cents, or 1.00%, to settle at \$46.54, up 5.2% on the week.

August RBOB rose 3.4 cents, or 2.3%, to \$1.561 a gallon, settling about 4.1% higher for the week, while August heating oil added 2.3 cents, or 1.6%, to \$1.515 a gallon, for a weekly rise of about 4.6%.

Fundamental News: Baker Hughes reported that US energy firms added oil rigs for a second consecutive week as the drilling recovery continues into a 14th month. Energy companies searching for oil added two oil rigs in the week ending July 14th, bringing the total count up to 765, the most since April 2015.

The Shell Petroleum Development Co of Nigeria declared force majeure on Bonny Light crude oil exports on Thursday. The declaration followed the shutdown by operator, Aiteo, of the Nembe Creek Trunk Line, one of two pipelines that export the crude grade. Exports of Bonny Light crude was set at 164,000 bpd in July and 226,000 bpd in August.

Kuwait's OPEC Governor, Haitham Al-Ghais, said it would premature to cap Nigerian and Libyan oil production as the two countries' output needs to stabilize further. He said the market is on a recovery track due to rising global demand. He stated that output had increased on average by between 300,000 and 500,000 bpd from the two countries combined since the start of the supply-cutting agreement in January 2017. He said representatives from Libya and Nigeria had been invited to a technical OPEC/non-OPEC committee meeting on July 22nd ahead of a ministerial gathering to give presentations on production from both countries.

Russia's Finance Minister, Anton Siluanov, said the price of oil will fluctuate between \$40 and \$60/barrel in the short term, most likely staying in the lower half of the range.

The former Oil Minister of Qatar, Abdullah al-Attiyah, said OPEC would hurt itself and help US shale producers if it made deeper output cuts. He said if OPEC deepened its cut, prices would rise and shale oil producers and others would take OPEC's market share.

OPEC's efforts to cut the oversupply is not only being hindered by shale oil drillers but also by oil sands companies, including Devon Energy, Suncor Energy and Cenovus Energy, who have also increased their operations. Their thermal production sites are running as much as 30% above capacity this year. IHS Energy stated that oil sands will be second to shale as the largest contributor to global supply growth over the next two years with 500,000 bpd of production scheduled to enter the market.

IIR reported that US oil refiners are expected to shut in 155,000 bpd of capacity in the week ending July 14th, increasing available refining capacity by 15,000 bpd from the previous week. IIR expects offline capacity to fall to 73,000 bpd in the week ending July 21st before rising to 91,000 bpd in the following week.

Early Market Call - as of 9:00 AM EDT

WTI - Aug \$46.40, down 15 cents
 RBOB - Aug \$1.5620, up 15 points
 HO - Aug \$1.5105, down 42 points

All NYMEX | Prior Settlements

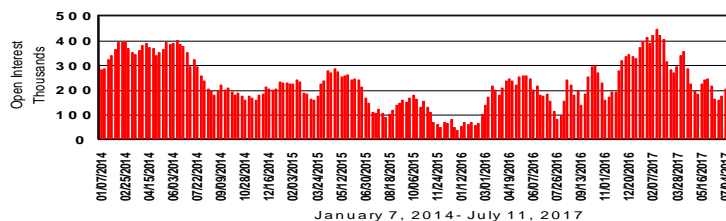
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-17	\$1.5150	\$0.0233	\$0.0668
Sep-17	\$1.5194	\$0.0227	\$0.0653
Oct-17	\$1.5251	\$0.0219	\$0.0640
Nov-17	\$1.5321	\$0.0210	\$0.0628
Dec-17	\$1.5382	\$0.0203	\$0.0601
Jan-18	\$1.5439	\$0.0197	\$0.0576
Feb-18	\$1.5469	\$0.0193	\$0.0555
Mar-18	\$1.5463	\$0.0191	\$0.0542
Apr-18	\$1.5422	\$0.0188	\$0.0539
May-18	\$1.5420	\$0.0183	\$0.0531
Jun-18	\$1.5448	\$0.0177	\$0.0522
Jul-18	\$1.5507	\$0.0170	\$0.0517
Aug-18	\$1.5574	\$0.0164	\$0.0517
Sep-18	\$1.5638	\$0.0158	\$0.0515
Oct-18	\$1.5706	\$0.0152	\$0.0513
Nov-18	\$1.5781	\$0.0149	\$0.0509

Sprague HeatCurve Oct 2017-April 2018* \$1.5410

* Degree Day weighted NYMEX strip (no differentials)

Other Front Month NYMEX		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$2.16	\$46.7500	\$0.5000
Crude - Brent		\$48.9100	\$0.4900
Natural Gas		\$2.9800	\$0.0190
Gasoline		\$1.5605	\$0.0344

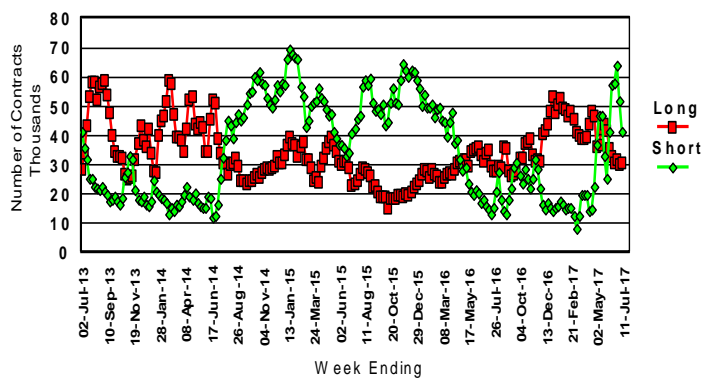
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending July 11th

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

