

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures turned lower on Thursday on higher U.S. gasoline stockpiles and after a European Central Bank rate hike stoked demand concerns, while returning oil supply from Libya and the resumption of Russia's gas flow to Europe eased supply woes. Trading volume in crude oil futures has been thin, while prices remain volatile as traders attempt to square weaker energy demand with tighter supply resulting from the loss of Russian barrels after the country's invasion of Ukraine. September WTI fell as much as 7.5%, to a session low of \$95.59 before paring losses to settle at \$96.35 a barrel, down \$3.53, or 3.53%. Based upon a front month contract, WTI is now down 22.11% from its 2022 settlement high of \$123.70 hit Tuesday, March 8, 2022. September Brent fell \$3.06, or 2.86%, to \$103.86 a barrel, off 18.85% from its 52-week high of \$127.98 hit Tuesday, March 8, 2022. RBOB for August delivery lost 12.59 cents per gallon, or 3.84% to \$3.1495, off 26.35% from its 52-week high of \$4.2762 hit Thursday, June 9, 2022. August heating oil lost 1.40 cents per gallon, or 0.39% to \$3.590, off 30.09% from its 52-week high of \$5.1354 hit Thursday, April 28, 2022.

Technical Analysis: September WTI sits wedged between \$100.00 and \$94.73, the 10 and 200-day moving averages, respectively. Based upon the breakout of a previous upward channel, the downside projected target is \$92.23. Although we have been down at current levels in the past, we did not achieve this targeted move, leaving it in place. The slow stochastics appear to be getting ready to cross to the downside, while WTI closes in on the 200-day moving average. At this point, we would expect to see selling pick up on moves below the 200-day moving average and a cross of the slow stochastics. Below \$94.73, the 200-day moving average, there is additional support set at \$90. A pass below this level sets up for a move toward \$85. On the upside, there is resistance set at \$100 and above that at \$102.

Fundamental News: The Kremlin said Russian President Vladimir Putin and Saudi Crown Prince Mohammed bin Salman spoke by phone and underlined the importance of further cooperation within the OPEC+ framework. It said they gave "a positive assessment" of bilateral relations and discussed the expansion of mutually beneficial trade and economic ties.

Britain's chief of the Secret Intelligence Service, Richard Moore, said he was skeptical that Iran's Supreme Leader Ayatollah Ali Khamenei wants to revive a nuclear deal with world powers.

The U.S. EPA reported that the U.S. generated more renewable fuel blending credits in June. About 1.29 billion ethanol blending credits were generated in June, up from 1.23 billion in May, while 491 million biodiesel blending credits were generated in June, down from 513 million in May.

Analysts at Wood Mackenzie said reduced flow rates on the 590,000 bpd Keystone pipeline are having only a slight impact on oil deliveries. TC Energy declared a force majeure on Monday. It has not stated when the pipeline will resume full operations after one of the pipeline's pump stations in South Dakota was shut down on Sunday.

Colonial Pipeline Co is allocating space for Cycle 42 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Early Market Call - as of 8:35 AM EDT

WTI - September \$95.45, down 90 cents
 RBOB - August \$3.1293, down 2.02 cents
 HO - Augusts \$3.5803, down 1 cent

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-22	3.5903	-0.014	-0.0591
Sep-22	3.5236	-0.0329	-0.1258
Oct-22	3.4573	-0.0448	-0.0297
Nov-22	3.3985	-0.0493	-0.0189
Dec-22	3.3458	-0.0519	-0.0104
Jan-23	3.2999	-0.0561	-0.0002
Feb-23	3.2494	-0.055	0.0149
Mar-23	3.188	-0.0517	0.0282
Apr-23	3.1217	-0.0507	0.0358
May-23	3.0716	-0.0516	0.0348
Jun-23	3.0299	-0.0521	0.0313
Jul-23	3.0037	-0.0493	0.0347
Aug-23	2.9763	-0.0469	0.0344
Sep-23	2.9499	-0.0404	0.0385
Oct-23	2.929	-0.034	0.0485
Nov-23	2.9092	-0.0308	0.054
Dec-23	2.8909	-0.0302	0.0547

Sprague HeatCurve October 2022-April 2023			\$3.2881
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$7.52	\$96.3400	-\$3.5300
Crude - Brent		\$103.8600	-\$3.0600
Natural Gas		\$7.9320	-\$0.0750
Gasoline		\$3.1495	-\$0.1259

EIA Working Gas Storage Report

	15-Jul-22	08-Jul-22	Change	15-Jul-21
East	521	501	20	559
Midwest	608	586	22	680
Mountain	144	143	1	183
Pacific	253	249	4	247
South Central	874	890	-16	1,001
Salt	206	221	-15	280
Nonsalt	669	669	0	721
Total	2401	2369	32	2,671

ICE September Brent-WTI Spread

WTI Continuation

