

Market Commentary

Recap: Oil futures traded lower on Friday pressured by enduring concern over the coronavirus and its impact on demand, strength in the dollar and weak economic data out of the Eurozone and Japan added to the pressure. Prices remained under pressure after Baker Hughes reported that the number of U.S. oil rigs rose by 11 to 183, ending three straight weeks of declines. October WTI fell 48 cents, or 1.1%, to settle at \$42.34 a barrel, for a gain of 3 cents on the week. Brent for October settled at \$44.35 a barrel, down 55 cents, or, 1.22%, for a weekly loss of 1%. September RBOB fell 1.24 cents, or 1%, to \$1.2841 a gallon, while September heating oil shed 3.87 cents, or 3.1%, to close at \$1.200 a gallon.

Technical Analysis: Attempts to rally this week were met by sellers above the \$43 level, while breaks below \$42 found buyers below. Needless to say, this market is still in a period of consolidation. Based upon a weekly chart for the October contract, the lows have been consistently getting higher, while this spot contract approaches the 50 week average. If we can get a weekly settlement above this level, we would look for a run at \$49.00. However, a settlement below \$40 could push this market toward \$35.

Fundamental News: Baker Hughes reported that U.S. energy firms added oil and natural gas rigs for the first time since March as some shale producers reverse production cuts with oil prices recovering from historic lows. It stated that the oil and gas rig count increased by 10 from a record low to 254 in the week to August 21st. U.S. oil rigs increased by 11 to 183 this week, the largest increase since January. Gas rigs fell by one to 69, just one short of its record low.

BP said it had begun the process of evacuating personnel from offshore platforms and drilling ships as two tropical cyclones take aim at the U.S. Gulf of Mexico in a rare weather event. The company also said it is beginning to shut-in production at its four operated platforms in the U.S. Gulf of Mexico. Separately, Shell has started reducing non-essential personnel on board some of its offshore assets ahead of tropical threats approaching the Gulf of Mexico.

An internal OPEC+ report showed that some members of the OPEC+ group of oil-producing nations would need to slash output by an extra 2.31 million bpd for a month to make up for their oversupply between May and July. It stated that the oversupply above OPEC+ agreed targets ought to be compensated for in August and September.

IIR Energy reported that U.S. oil refiners are expected to shut in 3.99 million bpd of capacity in the week ending August 21st, decreasing available refining capacity by 83,000 bpd from the previous week.

According to Euroilstock, European refinery output in July increased by 4.6% from June, but was still down nearly 16% from a year earlier at 9.224 million bpd, with production of all products rising month-on-month. Gasoline production in July increased by 6.9% on the month but fell by 20.1% on the year to 1.988 million bpd, while middle distillates output in July increased by 4.1% on the month but fell by 16.4% on the year to 4.822 million bpd and fuel oil output increased by 1.5% on the month but fell by 18.2% on the year to 816,000 bpd. Refineries' crude intake in July stood at 8.682 million bpd, up 3.7% from June, but down 18.4% from a year earlier.

Early Market Call - as of 8:30 AM EDT

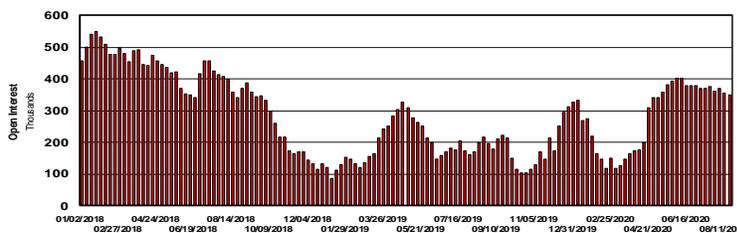
WTI - Oct \$42.76, up 42 cents
 RBOB - Sep \$1.32, up 3.59 cents
 HO - Sep \$1.2407, up 3.27 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-20	1.2080	-0.0387	0.0287
Oct-20	1.2283	-0.0362	0.0309
Nov-20	1.2493	-0.0354	0.0334
Dec-20	1.2710	-0.0334	0.0328
Jan-21	1.2916	-0.0316	0.0310
Feb-21	1.3084	-0.0300	0.0290
Mar-21	1.3201	-0.0284	0.0263
Apr-21	1.3263	-0.0275	0.0240
May-21	1.3351	-0.0271	0.0225
Jun-21	1.3456	-0.0268	0.0217
Jul-21	1.3604	-0.0266	0.0217
Aug-21	1.3745	-0.0265	0.0216
Sep-21	1.3876	-0.0263	0.0214
Oct-21	1.3993	-0.0262	0.0212
Nov-21	1.4099	-0.0262	0.0208
Dec-21	1.4183	-0.0261	0.0202
Jan-22	1.4293	-0.0258	0.0198

Sprague Heat Weighted Strip October -April 20/2021			\$1.2892
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$1.73	\$42.6200	-\$0.4700
Crude - Brent		\$44.3500	-\$0.5500
Natural Gas		\$2.4480	\$0.0960
Gasoline		\$1.2841	-\$0.0124

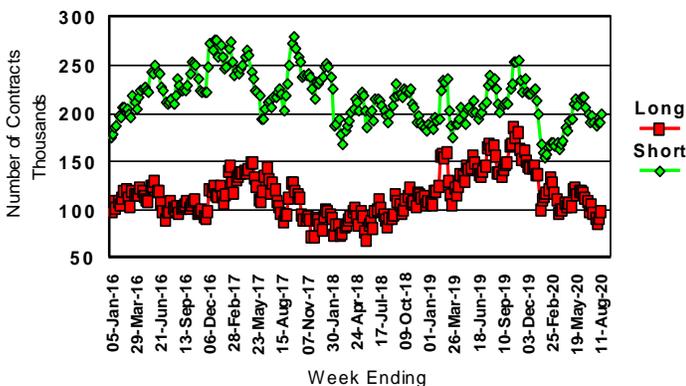
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 18, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

