

Market Commentary

Recap

Oil prices were somewhat mixed on Friday, with spot WTI pulling away from the rest of the curve as the dollar weakened to a four day low and as U.S. drillers cut oil rigs by the most since March. Lower than expected oil exports out of Saudi Arabia also lent strength to the expiring August WTI contract. This spot contract rose as much as 2.4%, to a fresh weekly high of \$71.10 before paring gains for a settlement of \$70.46 a barrel, up \$100, or 1.44%. Gains in the back end of the curve were contained by concerns that forward demand could be hampered by trade tensions between the U.S. and China. September, the new spot month closed basically unchanged, at \$68.26 a barrel, up 2 cents. Brent for September delivery gained 49 cents, or 0.68%, to settle at \$73.07 a barrel. August RBOB rose nearly 1.3% to \$2.069 a gallon, with the contract down about 1.8% on the week, while August heating oil ended at \$2.104 a gallon, up 0.7% for the day—paring its weekly loss to about 1.4%.

Fundamental News:

OPEC shipments will decline to 24.38 million b/d in the four weeks to August 4 versus the period to July 7, tanker-tracker Oil Movements said in its weekly report. That figure excludes Congo and Equatorial Guinea. Mideast shipments, including non-OPEC nations Oman and Yemen, will fall by 1.09 million b/d to 18.05 million b/d.

President Trump has pressured Saudi Arabia to boost oil production, only to discover that global markets may not need it quite yet. Crude output surged the most in three years last month, as Trump demanded his ally's help in cooling gasoline prices and filling in the supply gap that will be created by his sanctions on Iran. However, Saudi Arabia rejected concerns that its planning to oversupply global oil markets and said it will actually trim crude exports next month. For now, exports this month will be "roughly equal" to June, and will drop.

Crude oil inventories at seven ports in Shandong province in East China rose by 2.2 million to about 42.7 million barrels in the week ended today, according to industry researcher SC199.

Phillips 66 reported above-normal flaring of gases at its refinery in the Los Angeles area. Stating the flaring of 575 pounds of sulfur dioxide happened late Wednesday night and only lasted a short time. It said the facility continued to operate as normal, and that it is investigating what may have caused the flaring.

Global refinery outages reached 3.259 million b/d this week, which compares to 2.58 million b/d a week earlier. Pemex's Salamanca refinery catalytic unit was shut after a power issue that resulted in a release of smoke. The unit was shut for repairs.

Early Market Call - as of 8:30 AM EDT

WTI - Aug \$67.13, up 87 cents

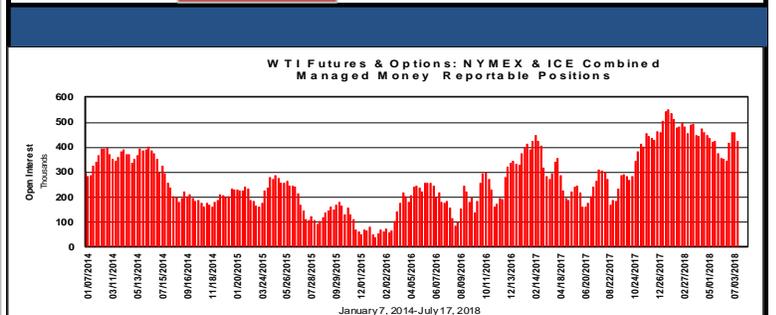
RBOB - Aug \$2.0934, up 2.35 cents

HO - Aug \$2.1304, up 2.55 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-18	2.1044	0.0143	-0.029
Sep-18	2.1094	0.0149	-0.0299
Oct-18	2.1147	0.0152	-0.031
Nov-18	2.1205	0.0155	-0.0317
Dec-18	2.1248	0.0155	-0.0327
Jan-19	2.1295	0.0153	-0.0337
Feb-19	2.1272	0.0151	-0.0349
Mar-19	2.1181	0.0139	-0.0366
Apr-19	2.1051	0.0129	-0.0377
May-19	2.0965	0.0113	-0.0385
Jun-19	2.0933	0.0103	-0.0394
Jul-19	2.0987	0.0095	-0.0401
Aug-19	2.1051	0.009	-0.0404
Sep-19	2.1122	0.009	-0.0404
Oct-19	2.1188	0.0088	-0.0384
Nov-19	2.126	0.0087	-0.0373
Dec-19	2.1353	0.0087	-0.0367

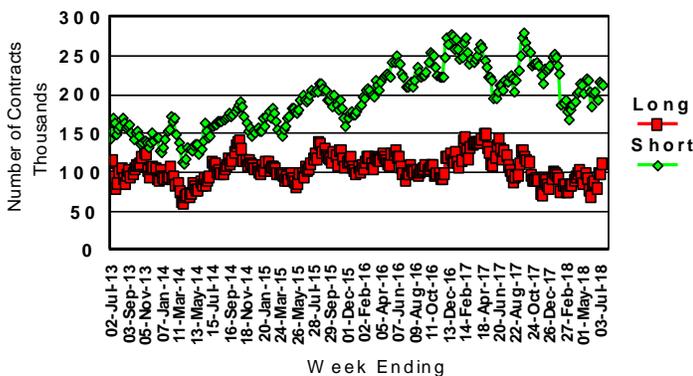
Sprague HeatCurve Oct 2018-April 2019		\$2.1221
Other Front Month NYMEX	Close	Change
Crude - WTI	\$68.2600	\$0.0200
Crude - Brent	\$73.0700	\$0.4900
Natural Gas	\$2.7570	-\$0.0120
Gasoline	\$2.0690	\$0.0255



Commitment of Traders Report for the Week Ending July 17, 2018

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

