

Market Commentary

Recap: On Thursday, oil prices pared losses from the previous session, amid rising tensions in the Middle East, but gains were limited by concern over a slowing global economy and its impact on demand. September WTI added \$1.11, or 2%, to reach a session high of \$56.99 a barrel by 9:00 am EST. September Brent rose \$1.05, to a high of \$64.23 a barrel. So far, this market has been unable to sustain gains despite yesterday's bullish EIA report and continued geopolitical turbulence in the Middle East. Those that had hope of higher prices are beginning to lose stamina, adding to the stagnant move to the upside. September WTI rose 14 cents, or 0.3%, to settle at \$56.02 a barrel, while September Brent added 21 cents, or 0.3%, to settle at \$63.39 a barrel. September RBOB rose 1.2%, to finish at \$1.8254 a gallon, while September heating oil rose 0.3%, to settle at \$1.9227 a gallon.

Technical Analysis: The \$57.00 level in WTI continues to prove itself as a key area of resistance, as it held up again on Thursday. With the 10-day moving average crossing below the 50-day moving average, we should see a push toward \$55.00. We would look for continued sideways trading between the range of \$57.00 and \$55.00. Resistance remains at the aforementioned moving averages, with support set at \$55.00 and below that at \$54.40.

Fundamental News: Two OPEC sources stated that a panel of OPEC and non-OPEC ministers, which reviews the producers' output policy, will meet on September 12th in Abu Dhabi. The Joint Ministerial Monitoring Committee observes oil market developments and can make a recommendation to the countries signed up to the deal. A day before the JMMC meets, a technical panel called the JTC will hold its meeting.

Saudi Arabia's Energy Minister, Khalid al-Falih, called on global oil buyers to secure their energy shipments passing through the Strait of Hormuz. Concerns of disruptions in the Strait of Hormuz increased after the Iranian Revolutionary Guards seized the British-flagged oil tanker Stena Impero in the waterway on Friday in apparent retaliation for the British capture of an Iranian tanker two weeks earlier. Saudi Arabia's Energy Minister said Saudi Arabia hopes to expand the East West crude pipeline bypassing the Strait of Hormuz by 40% to 7 million bpd in a couple of years. He also stated that current oil demand is reasonably healthy.

A US administration official said there will be a decision before a July 27th deadline on renewing a license for Chevron Corp's operation in Venezuela.

Canada's Suncor Energy is hopeful the Alberta government will decide in the next month or so to sign an agreement that would allow oil producers to increase their output despite ongoing curtailments. Crude production has been limited since the beginning of 2019 when the government imposed curtailments to ease congestion on export pipelines that had pushed the discount on Canadian crude to record lows.

Enbridge Inc said it was open to working with the Bad River Band and will consider re-routing its Line 5 oil pipeline after the Native American tribe in Wisconsin sued the company seeking to shut the pipeline. The Bad River Band filed a federal lawsuit against Enbridge asking for a section of Line 5 that runs across its reservation to be decommissioned and removed because of the risk of a leak.

Total product stocks independently held in the Amsterdam-Rotterdam-Antwerp refining and storage hub fell by 3% to 6.19 million tons in the week ending July 25th. Gasoline stocks increased by 1.06% on the week and by 31.22% on the year to 1.24 million tons, while gasoil stocks increased by 0.4% on the week and by 24.39% on the year to 2.978 million tons and fuel oil stocks fell by 10.9% on the week and by 23.64% on the year to 1.014 million tons.

Early Market Call - as of 8:05 AM EDT

WTI - Sep \$56.48, up 45 cents

RBOB - Aug \$1.8882, up 48 points

HO - Aug \$1.9188, up 32 points

All NYMEX | Prior Settlements

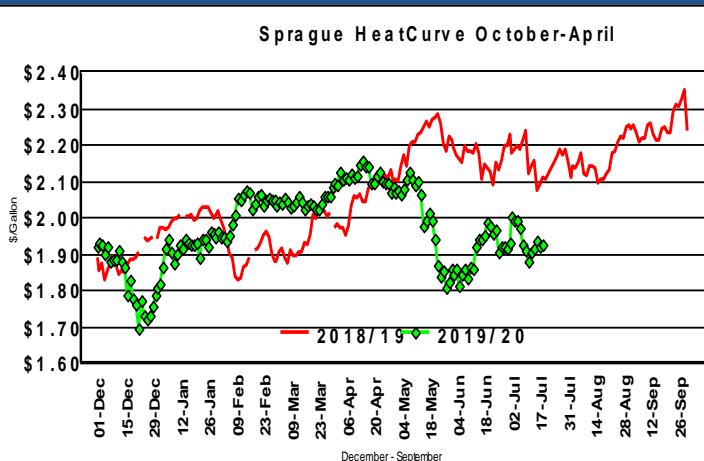
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-19	1.9143	0.0056	0.0518
Sep-19	1.9227	0.0055	0.0528
Oct-19	1.9288	0.0052	0.0524
Nov-19	1.9322	0.0047	0.051
Dec-19	1.9332	0.0042	0.05
Jan-20	1.9333	0.0037	0.0494
Feb-20	1.928	0.0033	0.0482
Mar-20	1.9176	0.0029	0.0463
Apr-20	1.9035	0.0029	0.0451
May-20	1.8939	0.0029	0.0443
Jun-20	1.8877	0.0029	0.0439
Jul-20	1.888	0.0027	0.0437
Aug-20	1.8896	0.0024	0.0434
Sep-20	1.8918	0.0024	0.0431
Oct-20	1.8935	0.0024	0.0428
Nov-20	1.8946	0.0023	0.0426
Dec-20	1.8936	0.0023	0.0424

Sprague HeatCurve Oct 2019-Apr 2020		\$1.9268	
Other Front Month NYMEX		Close	Change
Crude - WTI	Sep Brent-	\$56.0200	\$0.1400
Crude - Brent	WTI Spread	\$63.3900	\$0.2100
Natural Gas	\$7.37	\$2.2440	\$0.0240
Gasoline		\$1.8803	\$0.0252

EIA Working Gas Storage Report

	19-Jul-19	12-Jul-19	Change	Year Ago
East	575	561	14	524
Midwest	650	627	23	522
Mountain	151	147	4	145
Pacific	271	268	3	256
South Central	921	929	-8	823
Salt	229	246	-17	217
Nonsalt	692	683	9	605
Total	2,569	2,533	36	2,269

Sprague HeatCurve October-April



ICE September Brent-WTI Spread

