

Market Commentary

Recap: The crude oil market on Friday continued on a downward trend for a second consecutive session after it breached an upward trending support line during Thursday's sell off. The market sold off 3.85% on the week amid concerns that further interest rate hikes this year will curb demand despite signs of tighter supplies. The market was pressured on Thursday following the Bank of England's decision to raise interest rates by a larger than expected half a percentage point. It was further pressured on Friday as San Francisco's Federal Reserve Bank President Mary Daly said two more interest rate hikes this year was a "very reasonable" projection. The market traded mostly sideways overnight before it breached its previous low and sold off towards the \$68.00 level. The market was further pressured by the comments made by the San Francisco Fed President, which pushed the market to a low of \$67.35. The oil market later bounced off that level and retraced most its earlier losses ahead of the close. The August WTI contract settled down 35 cents at \$69.16 and the August Brent contract settled down 29 cents at \$73.85. The product markets also ended the session lower, with the heating oil market settling down 5.84 cents at \$2.4071 and the RB market settling down 3.29 cents at \$2.5172.

Technical Analysis: The oil market will likely continue to retrace some of its sharp losses on Monday as it remains in its sideways trading range from \$67.00 to \$76.00. The market's gains however will be limited by any further comments regarding further interest rate hikes this year. The crude market is seen finding resistance at its high of \$69.65, \$70.46, \$70.92, \$71.25 and \$72.65. Further upside is seen at \$72.72, \$73.37, \$73.78 and \$75.70. Support is seen at its low of \$67.35-\$67.31, \$66.96 and \$64.41.

Fundamental News: Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for an eighth consecutive week for the first time since July 2020. The oil and gas rig count fell by 5 to 682 in the week ending June 23rd, the lowest level since April 2022. U.S. oil rigs fell by 6 to 546 this week, the lowest level since April 2022, while gas rigs held steady at 130.

Equinor said production at the Gina Krog oil platform in the North Sea, which was shut on Wednesday after a fire broke out, has been restarted.

Separately, Equinor said a longer than expected outage at Norway's Norne oil and gas field in the North Sea should soon be completed. Output has been halted since May 15th, with the outage extended regularly and currently expected to end on July 1st.

IIR Energy reported that U.S. oil refiners are expected to shut in about 716,000 bpd of capacity in the week ending June 23rd, reducing available refining capacity by 178,000 bpd. Offline capacity is expected to fall to 364,000 bpd in the week ending June 30th.

Phillips 66 reported unplanned flaring at its 139,000 bpd Wilmington, California refinery.

Colonial Pipeline Co is allocating space for Cycle 38 on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

More Norwegian oil and gas drilling rig workers warned on Friday of potential strike action next week as unions and employers prepared to negotiate over wages, although any labor conflict was still unlikely to affect oil and gas output.

Early Market Call - as of 8:40 AM EDT

WTI - August \$69.46, up 30 cents

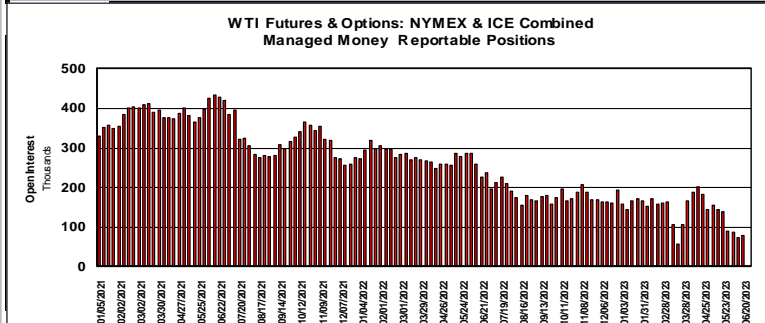
RBOB - July \$2.5290, up 1.18 cents

HO - July \$2.4274, up 2.03 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-23	2.4071	-0.0584	-0.1443
Aug-23	2.3729	-0.0406	-0.1319
Sep-23	2.3673	-0.0351	-0.1235
Oct-23	2.3638	-0.0313	-0.1170
Nov-23	2.3573	-0.0286	-0.1119
Dec-23	2.3493	-0.0262	-0.1072
Jan-24	2.3450	-0.0240	-0.1027
Feb-24	2.3377	-0.0216	-0.0985
Mar-24	2.3229	-0.0190	-0.0946
Apr-24	2.2990	-0.0170	-0.0915
May-24	2.2822	-0.0161	-0.0903
Jun-24	2.2694	-0.0154	-0.0893
Jul-24	2.2653	-0.0146	-0.0876
Aug-24	2.2636	-0.0137	-0.0856
Sep-24	2.2631	-0.0133	-0.0840
Oct-24	2.2638	-0.0130	-0.0823
Nov-24	2.2624	-0.0127	-0.0804

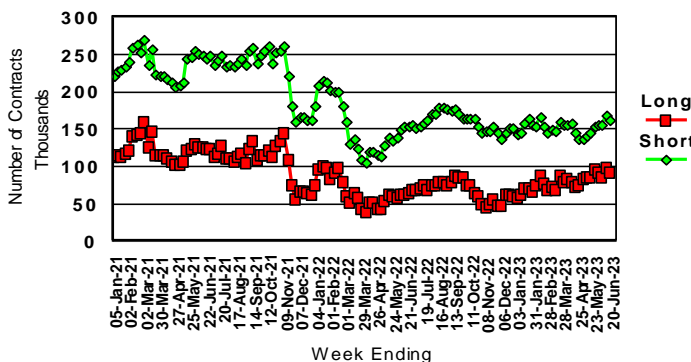
Sprague HeatCurve October 2023-April 2024		Close	Change
Crude - WTI	Aug Brent-WTI Spread \$4.69	\$69.1600	-\$0.3500
Crude - Brent		\$73.8500	-\$0.2900
Natural Gas		\$2.7290	\$0.1210
Gasoline		\$2.5172	-\$0.0329



Commitment of Traders Report for the Week Ending June 20, 2023

Producer/Merchant Heat Posits

CFTC Commitment of Traders Report



Managed Money Heat Posits

CFTC Commitment of Traders Report

