

Market Commentary

Recap: The oil market was basically on a roller coaster today as it spent time in both positive and negative territory, but at the end of the day it finished in negative territory, with the September WTI contract finishing down 53 cents at \$80.72. It appeared the selloff in the afternoon was grounded in weather forecasts that emerged as the day wore on that showed there was not any near term storm threat to offshore oil production in the Gulf of Mexico. This coupled with the earlier news that the Chinese central bank was not offering the significant cut in interest rates that the market had been anticipating that would act as a stimulus to the sputtering Chinese economy, translated to the spot WTI contract retracing basically two thirds of the rally from Friday's lows through this morning's price peak. The gasoline and distillate markets posted even greater losses on the day as the risk to refinery weather disruptions have appeared to have diminished as well for the near term. Spot heating oil and gasoline contracts finished down 4.35 cents and 5.06 cents per gallon respectively.

Technical Analysis: Basis the October WTI contract, the daily stochastics continue to point to the potential for further downside price movements. We see support at \$79.97 followed by \$79.80, \$78.60 and \$78.33. Resistance we see at \$81.75 followed by \$82.04 and \$82.51.

Fundamental News: Refinitiv Eikon estimated gasoline exports from Europe to the U.S. in August so far has totaled around 780,000 metric tons versus approximately 1 million shipped in July.

China's crude oil imports from Saudi Arabia are expected to remain low through the third quarter, after its customs office reported inbound shipments from the kingdom fell to their lowest in 13 months in July. China's customs data showed that imports from Saudi Arabia in July totaled 5.65 million metric tons or 1.33 million bpd, the lowest since June 2022.

Iraq's oil ministry announced Iraq's oil minister had arrived in Turkey on Monday to discuss several issues including the resumption of oil exports through the Ceyhan oil terminal. Iraqi oil shipments through the Turkish Ceyhan port have been halted since March 25th.

Euroilstock data released Monday showed that European oil refinery output averaged 9.73 million b/d in July, 57,000 b/d more than June but off 512,000 b/d for the same month a year ago. Middle distillate production in July averaged 4.979 million b/d down 31,000 b/d from June while gasoline production was 2.366 million b/d up 26,000 b/d from the previous month.

Bloomberg is reporting that according to TankerTrackers.com Inc, which provides data on oil cargo shipments to governments, insurers and other institutions, estimates that Iran exported 2.2 million b/d of crude and condensate during the first 20 days of August. If this rate of exports is maintained for the rest of the month, it would far exceed any other month this year.

Shell Nigeria said Monday it was investigating a possible leak on its Trans Niger oil pipeline in Nigeria following an August 18th report.

IIR Energy estimated Monday that U.S. oil refiners are expected to have about 208,000 b/d of refining capacity offline for the week ending August 25th decreasing the available refining capacity by 28,000 b/d. The company is estimating offline capacity to rise to 252,000 b/d for the following week.

Early Market Call - as of 8:30 AM EDT

WTI - September \$80.52, down 20 cents

RBOB - September \$2.7774, up 48 points

HO - September \$3.1048, down 1.14 cents

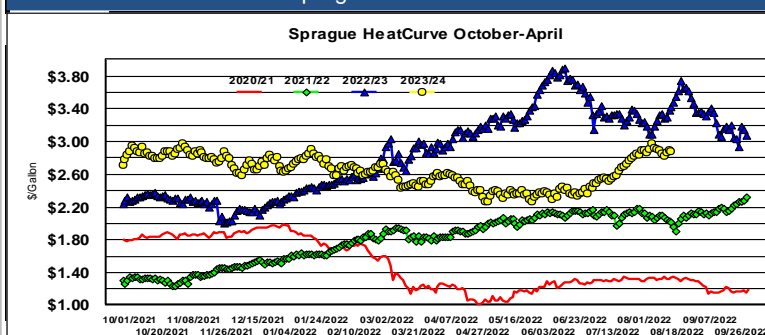
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	\$3.1162	-\$0.0435	\$0.0279
Oct-23	\$3.0912	-\$0.0367	\$0.0230
Nov-23	\$3.0117	-\$0.0309	\$0.0043
Dec-23	\$2.9172	-\$0.0263	-\$0.0097
Jan-24	\$2.8615	-\$0.0224	-\$0.0208
Feb-24	\$2.8169	-\$0.0186	-\$0.0258
Mar-24	\$2.7693	-\$0.0160	-\$0.0275
Apr-24	\$2.7177	-\$0.0149	-\$0.0274
May-24	\$2.6845	-\$0.0128	-\$0.0254
Jun-24	\$2.6613	-\$0.0110	-\$0.0217
Jul-24	\$2.6518	-\$0.0103	-\$0.0221
Aug-24	\$2.6446	-\$0.0094	-\$0.0229
Sep-24	\$2.6380	-\$0.0086	-\$0.0245
Oct-24	\$2.6291	-\$0.0076	-\$0.0247
Nov-24	\$2.6160	-\$0.0073	-\$0.0238
Dec-24	\$2.6003	-\$0.0063	-\$0.0216
Jan-25	\$2.5847	-\$0.0055	-\$0.0197

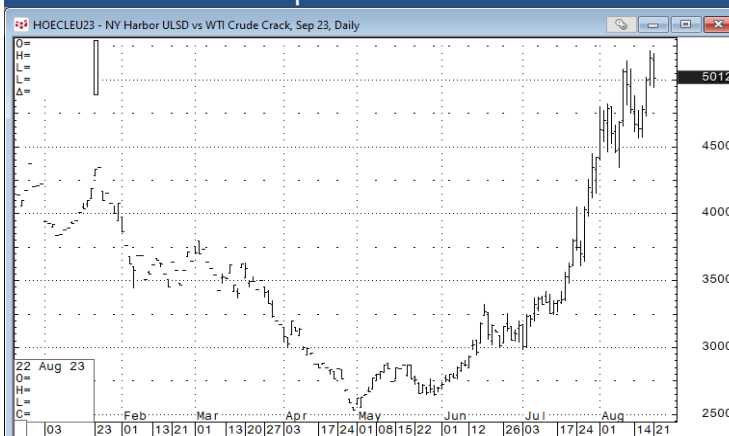
Sprague HeatCurve October 2023-April 2024

		Close	Change
Crude - WTI	Oct Brent-	\$80.1200	-\$0.5400
Crude - Brent	WTI Spread	\$84.4600	-\$0.3400
Natural Gas	\$4.44	\$2.6320	\$0.0810
Gasoline		\$2.7726	-\$0.0560

Sprague Heat Curve



NYMEX September Heat Crack



NYMEX September RBOB Crack

