

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** Oil prices rose on Monday, stemming three weeks of losses, as concern shifted away from trade wars between China and the U.S. to possible U.S. sanctions against Iran. The focus is now on supply shortages rather than economic growth, which is expected to slow due to the trade wars. October Brent rose to its highest level in four sessions, while the soon to expire September WTI reached a three day high of \$66.53. After rising as much as 1.2%, October Brent pared gains to settle at \$72.21 a barrel, up 38 cents, or 0.53%. September WTI tacked on 52 cents, or 0.7%, to settle at \$66.43 a barrel.

September RBOB rose 1.7%, to close at \$2.0195 a gallon, while September heating oil added 0.7% to close at \$2.114 a gallon.

**Fundamental News:** Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Friday, August 17<sup>th</sup> increased by 518,866 barrels on the week and by 260,193 barrels from Tuesday, August 14<sup>th</sup> to 26,712,400 barrels.

The US Department of Energy is offering 11 million barrels of crude oil for sale from the SPR ahead of sanctions on Iran that are expected to reduce global supplies of crude. The delivery period for the proposed sale of sour crudes will be from October 1<sup>st</sup> through November 30<sup>th</sup>.

The Kremlin said Russia's President Vladimir Putin still hopes to pull Russia's ties with the US out of a deep crisis, but it stated that nobody will go into mourning if this ambition is not reciprocated by the US. The Kremlin's spokesman, Dmitry Peskov, said the new US sanctions proposals were unfriendly and illegal.

Iran urged Europe to speed up its efforts to save the 2015 nuclear agreement between Iran and the world powers that US President Donald Trump abandoned in May. European states have been scrambling to ensure Iran get enough economic benefits to persuade it to stay in the deal. Britain, France, Germany plus China and Russia say they will do more to encourage their businesses to remain engaged with Iran. However, the threat of US sanctions has prompted many major companies to pull out of Iran.

Shell Nigeria recovered over 95% of oil from spill incidents on sections of its Trans Ramos pipeline, which feeds into Nigeria's Forcados oil export terminal. The pipeline has been shut for the past month due to leaks. Although Shell did not state the volume of crude affected due to the closure, the pipeline has a capacity of 100,000 bpd.

North Dakota's oil production fell nearly 2% in June to 1,225,510 bpd from a record high set in May.

A 24-hour strike at Total's Alwyn, Elgin and Dunbar offshore platforms started on Monday morning as planned, according to the Unite union.

The Joint Organizations Data Initiative reported that Saudi Arabia's oil output in June increased by 459,000 bpd on the month to 10.489 million bpd. Saudi Arabia's oil exports in June increased by 260,000 bpd to 7.24 million bpd. Its crude stocks fell by 453,000 barrels to 234.917 million barrels in June. It also reported that its oil product exports increased by 113,000 bpd to 1.999 million bpd in June.

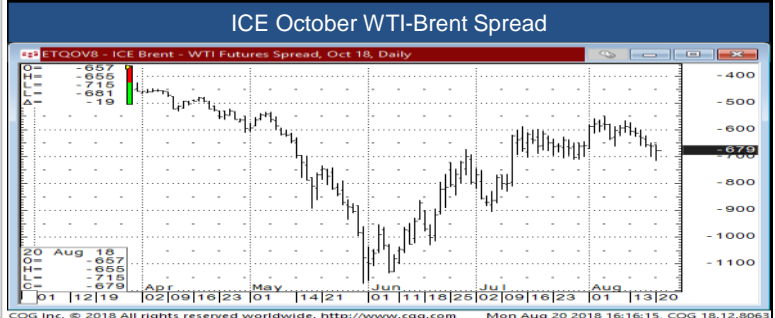
IIR Energy reported that US oil refiners are expected to shut in 205,000 bpd of capacity in the week ending August 24<sup>th</sup>, increasing available refining capacity by 221,000 bpd from the previous week. IIR expects offline capacity to fall to 107,000 bpd in the week ending August 31<sup>st</sup>.

**Early Market Call - as of 8:50 AM EDT**

WTI - Sep \$67.34, up 90 cents  
 RBOB - Sep \$2.0301, up 1.56 cents  
 HO - Sep \$2.1310, up 1.74 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-18	\$2.1138	\$0.0156	-\$0.0232
Oct-18	\$2.1178	\$0.0150	-\$0.0231
Nov-18	\$2.1211	\$0.0146	-\$0.0215
Dec-18	\$2.1245	\$0.0144	-\$0.0191
Jan-19	\$2.1285	\$0.0141	-\$0.0182
Feb-19	\$2.1260	\$0.0141	-\$0.0170
Mar-19	\$2.1177	\$0.0142	-\$0.0156
Apr-19	\$2.1018	\$0.0142	-\$0.0148
May-19	\$2.0975	\$0.0139	-\$0.0141
Jun-19	\$2.0932	\$0.0132	-\$0.0135
Jul-19	\$2.0965	\$0.0130	-\$0.0131
Aug-19	\$2.1018	\$0.0130	-\$0.0134
Sep-19	\$2.1099	\$0.0129	-\$0.0139
Oct-19	\$2.1170	\$0.0137	-\$0.0139
Nov-19	\$2.1228	\$0.0143	-\$0.0150
Dec-19	\$2.1295	\$0.0146	-\$0.0171
Jan-20	\$2.1427	\$0.0147	-\$0.0178

Sprague HeatCurve Oct 2018-April 2019		\$2.1218	
Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent-	\$65.4200	\$0.2100
Crude - Brent	WTI Spread	\$72.2100	\$0.3800
Natural Gas	\$6.79	\$2.9410	-\$0.0050
Gasoline		\$2.0151	\$0.0342



## September Heating Oil Crack Spread

## September RBOB Crack Spread

