

Market Commentary

Recap: On Friday, the oil market continued to trade lower for a seventh consecutive session, extending the week's decline to 8.9%, ahead of the September crude contract's expiration at the close. The market remained pressured amid concerns over fuel demand due to increasing number of cases of the COVID-19 Delta variant. The pandemic continues to disrupt plans to restart economic activity, curbing mobility and demand for fuel as travel is impacted. The market opened higher and retraced some of its previous losses as it posted a high of \$64.10 in overnight trading. However, the market once again erased any of its gains and continued on its recent sell off. The market traded to a low of \$62.36 and traded sideways for most of the session before it sold off further ahead of the close. The September contract posted a low of \$62.11 and settled down \$1.37 at \$62.32. The October WTI contract settled down \$1.36 at \$62.14, while the Brent contract settled down \$1.27 at \$65.18. Meanwhile, the product market continued to settle in negative territory, with the heating oil market settling down 6.08 cents at \$1.9082 and the RB market settling down 5.79 cents at \$2.0236.

Technical Analysis: The oil market is again seen retracing some of its sharp losses before it continues on its downward trend amid the concerns over demand. The market is seen finding support at its low of \$62.01 followed by \$60.90, basis a trendline, \$60.68 and \$59.61-\$59.56. Meanwhile, resistance is seen at \$63.25, its highs of \$64.04, \$64.57, followed by \$66.96, basis a trendline, and \$67.23.

Fundamental News: Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a third consecutive week. The oil and gas rig count increased by three to 503 in the week ending August 20th, its highest since April 2020. It reported that the number of rigs searching for oil increased by 8 on the week to 405 and the number of rigs searching for natural gas fell by five on the week to 97.

IIR Energy reported that U.S. oil refiners are expected to shut in 324,000 bpd of capacity in the week ending August 20th, cutting available refining capacity by 76,000 bpd. Offline capacity is expected to fall to 66,000 bpd in the week ending August 27th, and increase to 206,000 bpd in the week ending September 3rd.

The U.S. Environmental Protection Agency is expected to recommend to the White House lowering the nation's biofuel blending mandates below 2020 levels. The EPA is looking to align mandates with actual production levels, which have declined during the coronavirus pandemic. The mandates determine the amount of biofuels that oil refiners must blend into their fuel mix.

Euroilstock reported that European refiners produced 9.27 million bpd of oil products in July, up 0.8% from June, and up 2.9% on the year. It reported that European refiners produced about 2.2 million bpd of gasoline, up 3.4% from June, and 5.6% from July 2020, while their middle distillates output increased 1.4% on the month but fell by 2% on the year to 4.59 million bpd. European fuel oil output fell by 10% on the month but increased by 14.4% on the year to 809,000 bpd and naphtha output fell by 1.5% on the month but increased by 1.1% on the year to 852,000 bpd. July refinery crude intake was at 8.89 million bpd, up 2.3% from June, and up 3.8% from a year earlier.

Crude oil loadings will resume at Equinor's Sture export terminal on Norway's west coast on Friday. The loading of crude on the TS Bergen aframax vessel was halted on Thursday when environmental activists entered the terminal's safety zone with a sailing boat, and also blocked a road leading to the terminal.

Early Market Call - as of 8:15 AM EDT

WTI - Sep \$64.13, up \$2.00

RBOB - Sep \$2.0626, up 3.87 cents

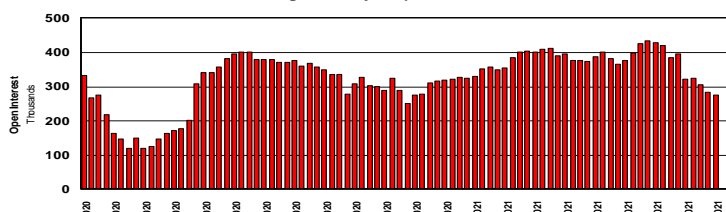
HO - Sep \$1.9615, up 5.35 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-21	\$1.9082	-\$0.0608	-\$0.1697
Oct-21	\$1.9100	-\$0.0614	-\$0.1703
Nov-21	\$1.9097	-\$0.0621	-\$0.1715
Dec-21	\$1.9072	-\$0.0627	-\$0.1724
Jan-22	\$1.9042	-\$0.0632	-\$0.1730
Feb-22	\$1.8973	-\$0.0638	-\$0.1745
Mar-22	\$1.8875	-\$0.0640	-\$0.1749
Apr-22	\$1.8736	-\$0.0645	-\$0.1750
May-22	\$1.8652	-\$0.0649	-\$0.1742
Jun-22	\$1.8596	-\$0.0651	-\$0.1733
Jul-22	\$1.8606	-\$0.0650	-\$0.1723
Aug-22	\$1.8618	-\$0.0650	-\$0.1715
Sep-22	\$1.8634	-\$0.0649	-\$0.1699
Oct-22	\$1.8659	-\$0.0649	-\$0.1698
Nov-22	\$1.8674	-\$0.0649	-\$0.1692
Dec-22	\$1.8677	-\$0.0648	-\$0.1684
Jan-23	\$1.8682	-\$0.0647	-\$0.1672

Sprague HeatCurve October 2021-April 2022		\$1.8992
	Close	Change
Crude - WTI	\$62.1400	-\$1.3600
Crude - Brent	\$65.1800	-\$1.2700
Natural Gas	\$3.8510	\$0.0210
Gasoline	\$2.0236	-\$0.0579

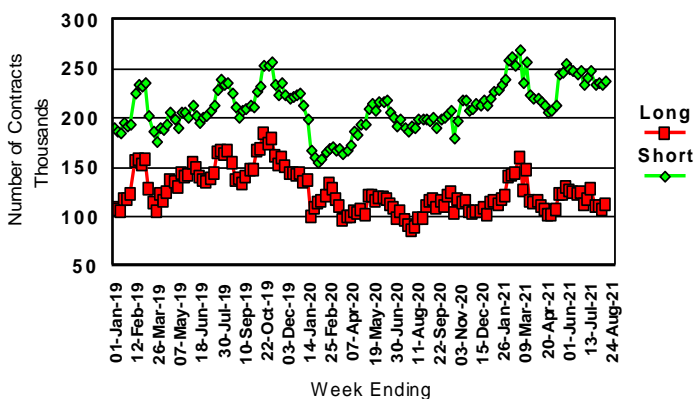
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 17, 2021

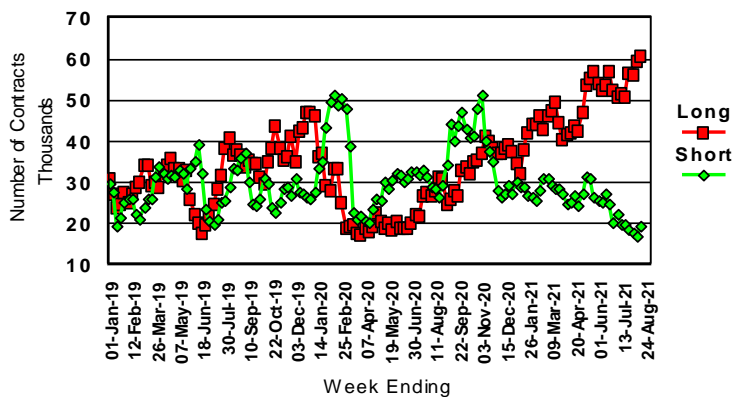
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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