

Market Commentary

Recap: On Tuesday, the oil market posted an inside trading day as traders took profits after it continued to trend higher in its upward trending channel on Monday. The market's gains were also limited amid the strength in the dollar. It sold off to a low of \$80.59 by mid-morning before it traded to a high of \$81.91 in afternoon trading. The crude market later retraced some of its gains ahead of the close, with the September WTI contract settling down 43 cents at \$81.37. The October Brent contract settled down 52 cents at \$84.91. The product markets ended the session mixed with the heating oil market settling up 3.79 cents at \$3.0234 and the RB market settling down 2.25 cents at \$2.8730.

Market Analysis: The market on Wednesday will likely continue to trade higher following the release of the weekly petroleum stock reports, which are expected to show draws across the board. However, as we previously mentioned the market also remains in overbought territory. The market is seen finding resistance at its highs of \$81.91, \$82.00 and the upper boundary of its channel at \$83.49. Meanwhile, the market is seen finding support at its low of \$80.59, \$80.13, \$79.07, \$78.87, \$78.60, \$78.55 and \$78.29.

Fundamental News: BP Plc's CEO, Bernard Looney, said the outlook for oil prices over the coming months is strong. He added that OPEC+ remains increasingly disciplined.

The Louisiana Offshore Oil Port said it made no deliveries of LOOP sour crude from sour storage in July.

Bloomberg reported that oil exchange traded funds posted their largest week of outflows in more than a year last week. Investors pulled out almost \$200 million in a single day from WisdomTree's Brent crude oil ETF, while United States Oil Fund saw its biggest weekly outflow in funds since December. It appeared investors were rushing to take profits from long only oil ETFs after crude oil prices rallied above \$80 a barrel for the first time since April. In aggregate a basket of 14 oil ETFs reported outflows of more than \$400 million last week, the biggest since March 2022, according to Bloomberg calculations.

Colonial Pipeline Co is allocating space for Cycle 45 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

A fourth aquifer breach has been confirmed in northern Minnesota stemming from a Canadian oil company's construction of an oil pipeline replacement in the region. Officials with Enbridge Energy and the Minnesota Department of Natural Resources said that the breach occurred near Moose Lake in Aitkin County. Officials said Enbridge is working to fix the rupture. It is the fourth confirmed breach along the Line 3 pipeline route, which started operating in the fall of 2021. Enbridge said it will submit a plan to correct the Moose Lake area damage and will implement it when it's approved.

Canada's Trans Mountain Pipeline said total system nominations for the pipeline system are apportioned by 6% for August. It said the pipeline will be operating at its maximum capacity.

Early Market Call - as of 8:20 AM EDT

WTI - September \$81.93, up 56 cents
 RBOB - September \$2.9060, up 3.3 cents
 HO - September \$3.0795, up 5.61 cents

All NYMEX | Prior Settlements

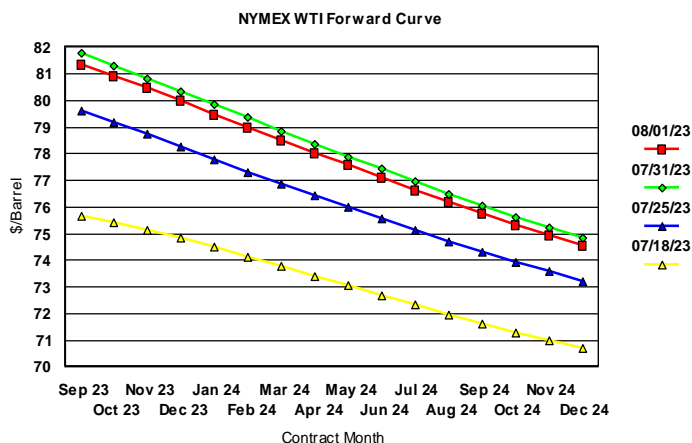
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.0234	0.0379	0.25
Oct-23	2.9895	0.0387	0.2275
Nov-23	2.9414	0.0378	0.202
Dec-23	2.8879	0.0358	0.1741
Jan-24	2.8515	0.0323	0.1563
Feb-24	2.8146	0.028	0.141
Mar-24	2.7718	0.0232	0.1262
Apr-24	2.7226	0.0188	0.1127
May-24	2.6871	0.0157	0.1025
Jun-24	2.6585	0.0131	0.0937
Jul-24	2.6414	0.0114	0.0871
Aug-24	2.6285	0.0092	0.0813
Sep-24	2.6168	0.0067	0.0757
Oct-24	2.6066	0.0037	0.0703
Nov-24	2.5942	0.0007	0.0643
Dec-24	2.581	-0.0018	0.0586
Jan-25	2.5689	-0.0033	0.0544

Sprague HeatCurve October 2023-April 2024			\$2.8476
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$3.99	\$80.9200	-\$0.4000
Crude - Brent		\$84.9100	-\$0.5200
Natural Gas		\$2.5600	-\$0.0740
Gasoline		\$2.8730	-\$0.0225

API Report for the Week Ending July 28, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 15.4 million barrels	Down 3.7 million barrels
Gasoline Stocks	Down 1.8 million barrels	Down 1 million barrels
Distillate Stocks	Down 512,000 barrels	Down 400,000 barrels
Refinery Runs		Unchanged at 93.4%

WTI Forward Curve



ICE October Brent-WTI Spread

