

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices were pushed higher on Friday, supported by tensions in the Middle East and last week's EIA report, which indicated U.S. crude oil inventories decreased by 10.4 million barrels during the week ending 7/19/19. Trading was a bit choppy throughout the session, with September WTI opening to trade at a session high of \$56.57 a barrel, a gain of 55 cents. September Brent peaked at \$63.96 a barrel, a gain of 57 cents. Despite the huge U.S. inventory draws and the continued unresolved tensions in the Middle East, oil price gains were constrained by continued concern over the health of the global economy going forward. A slow overnight drift pushed oil prices off the highs and into fresh lows. September WTI slipped 34 cents, to \$55.68 a barrel by 10:41 am EST, while September Brent touched down at \$63.02 a barrel, a loss of 37 cents. The tug-of-war that has been taking place between the bulls and the bears gave way to the bulls, as prices once again turned to the upside. September WTI gravitated back toward \$56.00, which has been somewhat of a pivotal area, while September Brent held above \$63.00. September WTI finished up 18 cents, or 0.32%, settling at \$56.20 a barrel, for a weekly gain of 0.8%. September Brent settled at \$63.46 a barrel, up 7 cents, or 0.11%, a weekly gain of 1.6%. September heating oil shed 0.94 cent to end at \$1.9133 a gallon, while September gasoline fell 0.3 cent to settle at \$1.8224 a gallon.

Technical Analysis: Within the oil market being as choppy as it has been, we would look for continued sideways trading between the range of \$60.00 and \$55.00 for WTI. The 10 and 50 day moving averages will provide near term resistance, with these averages currently set at \$56.61 and \$56.83 respectively. Above these moving averages, additional resistance is set at \$58.04, the current 200-day moving average. To the downside and below \$55.00, support rests at \$54.40 and \$53.45.

Fundamental News: Baker Hughes reported that US energy firms cut the number of oil rigs operating for a fourth consecutive week. It reported that drillers cut three oil rigs in the week ending July 26th, bringing the total count down to 776, the lowest since February 2018.

The Trump administration said it will renew Chevron Corp's license to drill for oil and gas in Venezuela despite sanctions, signaling it sees value in having the US oil producer operate in a country on the verge of economic and political collapse. The Treasury Department said it will renew the license for three months for Chevron. The license runs through October 25, 2019.

Russia's Energy Minister, Alexander Novak, said Russia has a commitment to keep its monthly average oil production in line with a global agreement on oil output, but added that its level may fluctuate in the course of a month due to various factors. Russia's oil production fell close to a three-year low in early July but recovered to about 11.05 million bpd between July 1 and July 21st. He also stated that Russian oil production is expected to total 556-557 million tons this year, or 11.17-11.19 million bpd. Under the OPEC and non-OPEC output agreement, Russia committed to cut output by 228,000 bpd from the 11.41 million bpd produced in October 2018.

IIR Energy reported that US oil refiners are expected to shut in 426,000 bpd of capacity in the week ending July 26th, increasing available refining capacity by 328,000 bpd from the previous week. Offline capacity is expected to fall to 269,000 bpd in the week ending August 2nd and to 59,000 bpd in the week ending August 9th.

US economic growth slowed less than expected in the second quarter as an increase in consumer spending blunted some of the drag from declining exports and a smaller inventory build. The US Commerce Department reported that the GDP increased at a 2.1% annualized rate in the second quarter. The economy grew at an unrevised 3.1% pace in the first quarter.

Early Market Call - as of 8:35 AM EDT

WTI - Sep \$56.26, up 6 cents

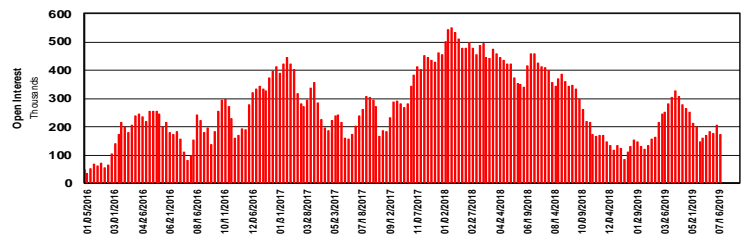
RB0B - Aug \$1.8676, down 87 points

HO - Aug \$1.9088, up 40 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-19	1.9044	-0.0099	0.0148
Sep-19	1.9133	-0.0094	0.0166
Oct-19	1.9199	-0.0089	0.0169
Nov-19	1.9238	-0.0084	0.0168
Dec-19	1.9248	-0.0084	0.0165
Jan-20	1.925	-0.0083	0.0163
Feb-20	1.9199	-0.0081	0.0158
Mar-20	1.9098	-0.0078	0.0148
Apr-20	1.8959	-0.0076	0.0143
May-20	1.8869	-0.007	0.014
Jun-20	1.8813	-0.0064	0.014
Jul-20	1.882	-0.006	0.0138
Aug-20	1.884	-0.0056	0.0135
Sep-20	1.8865	-0.0053	0.0132
Oct-20	1.8884	-0.0051	0.0129
Nov-20	1.89	-0.0046	0.0129
Dec-20	1.8893	-0.0043	0.0129

Sprague HeatCurve Oct 2019-Apr 2020		\$1.9186
Other Front Month NYMEX		Close
Crude - WTI	Sep Brent-	\$56.2000
Crude - Brent	WTI Spread	\$63.4600
Natural Gas	\$7.26	\$2.1690
Gasoline		\$1.8744
		-\$0.0059

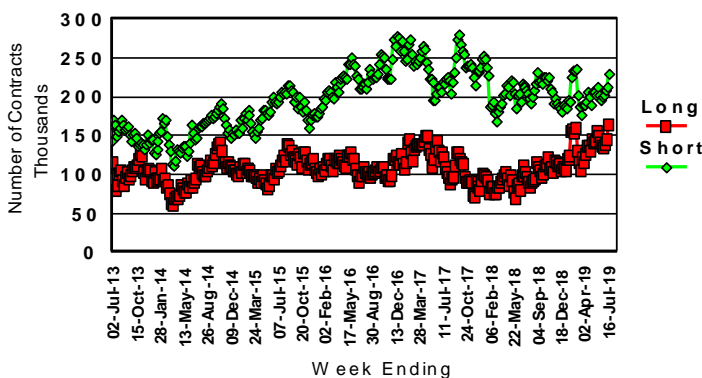
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 23, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

