

Market Commentary

Recap: Oil futures jumped to their highest level in five months after the EIA reported a 7.4 million barrel draw in U.S. crude oil inventories and as the dollar weakened against a basket of currencies. September WTI gained as much as 4.3%, rising to a session high of \$43.52 after the release of the report, but gains were severed, as the same report showed a smaller than expected increase in gasoline stockpiles. This spot contract finished the session at \$42.19 a barrel, up 49 cents, or 1.2%. Brent for October delivery added 74 cents, or 1.7%, to settle at \$45.17 a barrel. This was the highest settlement for both contracts since March 6. September RBOB rose 0.85 cents, 0.7%, to settle at \$1.2228 a gallon, while September heating oil rose 0.47 cent, or 0.4%, to settle at \$1.2631 a gallon.

Technical Analysis: September WTI rose passed resistance set by the 200-day moving average, but a lack of follow through prompted light technical profit taking. Wednesday's higher move also pushed this spot contract above and out of the congestion pattern we have been referencing, now turning the top of this pattern into an area of support. This move now sets up for a run at the \$49 level. This is the level where the major sell off in prices began back in March. Support is set at \$41.74 and below that at \$41.25.

Fundamental News: IIR Energy reported that U.S. oil refiners are expected to shut in 4.3 million bpd of capacity in the week ending August 7th, cutting available refining capacity by 57,000 bpd from the previous week. Offline capacity is expected to fall to 4 million bpd in the week ending August 14th.

Foreign trade data from the U.S. Census Bureau showed that U.S. crude oil exports fell to 2.75 million bpd in June compared with 2.93 million bpd the May. Exports to China totaled 657,000 bpd, while exports to India totaled 352,000 bpd and exports to Canada totaled 311,000 bpd.

Statistics Canada reported that Canada's total crude oil imports in June increased by 4,000 bpd to 459,000 bpd. Its crude oil imports in June from the U.S. increased by 2,000 bpd to 314,000 bpd. Canada's total crude oil exports in June increased by 190,000 bpd to 3.11 million bpd, while its crude exports to the U.S. increased by 240,000 bpd to 2.99 million bpd.

U.S. President Donald Trump said he may suspend the payroll tax himself as part of his administration's efforts to help the economy after the coronavirus shutdown, after the idea faced opposition in Congress in talks on the next relief bill.

U.S. private payrolls growth slowed sharply in July, pointing to a loss of momentum in the labor market and overall economic recovery as new COVID-19 infections spread across the country. The ADP National Employment Report showed private payrolls increased by 167,000 jobs last month. Data for June was revised up to show payrolls increasing by 4.314 million jobs instead of advancing 2.369 million as previously estimated.

The U.S. Commerce Department reported that the U.S. trade deficit in June fell to \$50.7 billion from \$54.8 billion in May. Its exports in June increased by 9.4% following a decline of 4.3% in May, while imports increased by 4.7% in June following a decline of 0.7% in May. Its exports in June increased to \$158.25 billion from \$144.69 billion in May, while imports increased to \$208.95 billion in June from \$199.49 billion. The U.S.-China trade deficit in June increased to \$28.4 billion from \$26.96 billion in May.

Early Market Call - as of 8:20 AM EDT

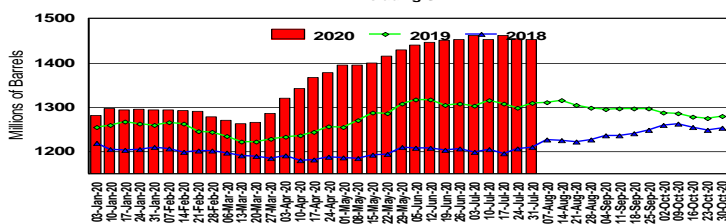
WTI - Sep \$41.92, down 27 cents
 RBOB - Sep \$1.2240, up 12 points
 HO - Sep \$1.2592, down 40 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-20	1.2631	0.0047	-0.0013
Sep-20	1.2810	0.0069	-0.0050
Oct-20	1.3000	0.0077	-0.0074
Nov-20	1.3187	0.0083	-0.0105
Dec-20	1.3371	0.0088	-0.0137
Jan-21	1.3515	0.0089	-0.0168
Feb-21	1.3602	0.0091	-0.0189
Mar-21	1.3632	0.0085	-0.0205
Apr-21	1.3697	0.0079	-0.0225
May-21	1.3778	0.0072	-0.0236
Jun-21	1.3911	0.0069	-0.0235
Jul-21	1.4036	0.0067	-0.0233
Aug-21	1.4151	0.0064	-0.0232
Sep-21	1.4255	0.0065	-0.0227
Oct-21	1.4350	0.0070	-0.0220
Nov-21	1.4424	0.0079	-0.0211
Dec-21	1.4522	0.0073	-0.0202

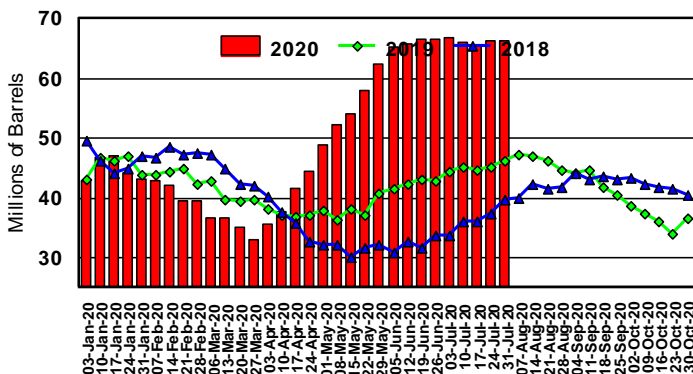
Sprague Heat Weighted Strip October -April 20/2021		\$1.3341	
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$2.74	\$42.4300	\$0.5200
Crude - Brent		\$45.1700	\$0.7400
Natural Gas		\$2.1910	-\$0.0020
Gasoline		\$1.2228	\$0.0085

Total U.S. Oil Stocks
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending July 31, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 7.373 million barrels
 Cushing, OK Crude Stocks Up 532,000 barrels
Gasoline Stocks Up 419,000 barrels
Distillate Stocks Up 1.591 million barrels
Refinery % Operated 79.6%, up 0.1%

PADD #1

Distillate Stocks (in million bbls)	Week Ending July 31, 2020	Week Ending July 24, 2020	Week Ending August 2, 2019
New England	13.3	13.0	6.7
Central Atlantic	37.8	38.4	27.1
Total PADD #1	66.2	66.2	46.3
Distillate Imports (thousands b/d)	72	136	242