

## Market Commentary

**Recap:** WTI traded higher for the fourth straight session on Friday, to finish up 14.1% on the quarter and 22.8% for the first half of the year. August WTI opened the session trading below unchanged hitting a session low of \$72.90, but rebounded after the Baker Hughes report showed the number of oil rigs declined by 4. This spot contract recaptured the \$74.00 level, trading at a high of \$74.46. Gains were pared with August WTI settling at \$74.15 a barrel, up 70 cents, or 0.95%. August Brent, which expired at the end of the session, finished at \$79.44 a barrel, up \$1.59, or 2.04, a gain of 5.9% on the week and 17% on the quarter.

July RBOB settled at \$2.179 a gallon, up 2.2%, or 21% higher year to date, while July heating oil rose 1.4%, to \$2.1209 a gallon, or 6.5% year to date.

**Fundamental News:** Baker Hughes reported that the number of rigs searching for oil fell by 4 to 858 in the week ending June 29<sup>th</sup>.

According to a Reuters survey, Saudi Arabia has increased its supply to 10.7 million bpd in June, close to a record high, a sign the country wants to make up shortfalls elsewhere in the group and moderate prices. It is up 700,000 bpd from May and means oil supply from OPEC will be higher in June despite a decline in Iranian exports and outages in Libya.

Russia's Energy Minister, Alexander Novak, said the country could increase oil output by more than 200,000 bpd if needed to help OPEC and non-OPEC producers to increase production by 1 million bpd.

US Secretary of State Mike Pompeo discussed energy security at a meeting with Saudi Arabia's Energy Minister, Khalid al Falih in Washington.

According to Oil Movements, OPEC oil shipments will increase by 700,000 bpd to 25.66 million bpd in the four week period ending July 14<sup>th</sup>, compared with the previous four week period ending June 16<sup>th</sup>. Mideast shipments, including those from non-OPEC nations Oman and Yemen, will increase by 400,000 bpd to 18.81 million bpd.

European refiners are cutting purchases of Iranian oil faster than expected as the US prepares to reimpose sanctions on Iran. The US said that companies would have to wind down their activities with Iran by November 4<sup>th</sup> or risk exclusion from the US financial system.

IIR Energy reported that US oil refiners are expected to shut in 162,000 bpd of capacity in the week ending June 29<sup>th</sup>, cutting available refining capacity by 52,000 bpd from the previous week. IIR expects offline capacity to increase to 184,000 bpd in the week ending July 6<sup>th</sup> and 277,000 bpd in the subsequent week.

Bloomberg reported that global refinery outages reached 3.203 million bpd in the week ending June 28<sup>th</sup>.

Libya's National Oil Corp expects to declare force majeure on loadings from the eastern ports of Zueitina and Hariga starting July 1<sup>st</sup>, raising losses in output from a power struggle over oil exports to 800,000 bpd.

The EIA reported that US crude oil production fell marginally by 2,000 bpd to 10.467 million bpd in April from the highest record in March. Production in Texas increased by 30,000 bpd to 4.22 million bpd in April. US distillate demand increased 9.6% or 363,000 bpd to 4.154 million bpd while gasoline demand fell by 0.7% or 61,000 bpd to 9.187 million bpd.

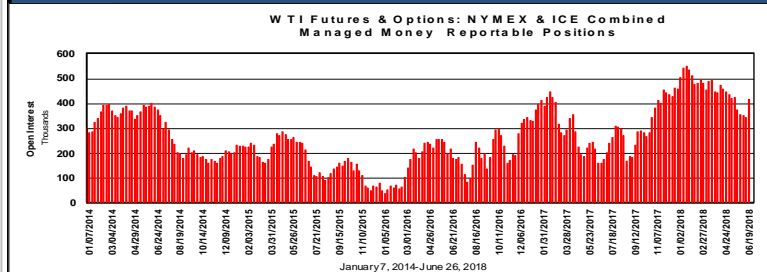
**Early Market Call - as of 8:50 AM EDT**

WTI - Aug \$73.63, down 52 cents  
 RBOB - Aug \$2.1280, down 2.31 cents  
 HO - Aug \$2.1895, down 2.05 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-18	\$2.2093	\$0.0311	\$0.0839
Aug-18	\$2.2097	\$0.0307	\$0.0804
Sep-18	\$2.2162	\$0.0311	\$0.0822
Oct-18	\$2.2225	\$0.0314	\$0.0826
Nov-18	\$2.2278	\$0.0314	\$0.0824
Dec-18	\$2.2319	\$0.0310	\$0.0818
Jan-19	\$2.2361	\$0.0303	\$0.0804
Feb-19	\$2.2331	\$0.0293	\$0.0779
Mar-19	\$2.2234	\$0.0278	\$0.0751
Apr-19	\$2.2031	\$0.0266	\$0.0735
May-19	\$2.1983	\$0.0253	\$0.0715
Jun-19	\$2.1929	\$0.0240	\$0.0693
Jul-19	\$2.1972	\$0.0233	\$0.0689
Aug-19	\$2.2031	\$0.0229	\$0.0700
Sep-19	\$2.2119	\$0.0224	\$0.0710
Oct-19	\$2.2160	\$0.0222	\$0.0703
Nov-19	\$2.2207	\$0.0215	\$0.0705

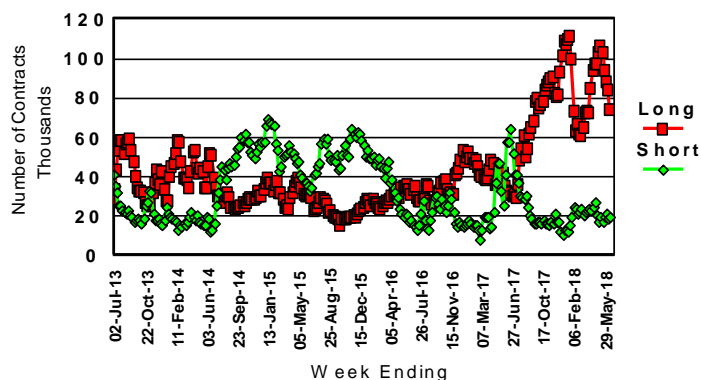
Sprague HeatCurve Oct 2018-April 2019		\$2.2284
Other Front Month NYMEX		Close
Crude - WTI	Aug Brent- WTI Spread	\$74.1500
Crude - Brent		\$79.4400
Natural Gas	\$5.29	\$2.9240
Gasoline		\$2.1791
		\$0.0462



## Commitment of Traders Report for the Week Ending June 26, 2018

### Managed Money Heat Positons

CFTC Commitment of Traders Report



### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

