

Market Commentary

Recap: After falling by more than 3%, oil futures gained traction to slice into losses after the Saudi energy minister said OPEC+ could cut production to confront market challenges. Saudi Energy Minister Prince Abdulaziz bin Salman said OPEC+ has the commitment, the flexibility, and the means to deal with challenges and provide guidance including cutting production at any time and in different forms, state news agency SPA reported. Earlier in the session, worries that aggressive U.S. interest rate hikes may lead to a global economic slowdown and dent fuel demand had pushed down prices. Investors are keeping a close look on the U.S. Federal Reserve, in particular Fed Chair Jerome Powell when he addresses an annual global central banking conference in Jackson Hole, WY on Friday. Crude oil prices have also been gaining support from high natural gas prices, which have been bolstered by reduced supply from Russia, strengthening demand for oil.

Front month WTI for September delivery lost 54 cents per barrel, or 0.59% to \$90.23, while the more actively traded October contract fell 8 cents, to settle at \$90.36 a barrel. October Brent fell 24 cents, or 0.25%, to settle at \$96.48 a barrel. RBOB for September delivery lost 12.63 cents per gallon, or 4.19% to \$2.8912, while September heating oil rose 7.57 cents per gallon, to \$3.7762

Technical Analysis: While fears of an economic slowdown continue to put pressure on crude oil prices, WTI remains above the long standing upward trend line that dates back to April 2020. At this point, some technical indicators are calling for a bit of a bounce and therefore, we would hold on to some length before unloading however, our overall opinion is for this market to break below the aforementioned trend line and for WTI to test the \$80 level and work its way down toward the range \$75-\$70. At this point, we would reevaluate this market. Resistance is seen at \$95, \$95.77 and \$96.55.

Fundamental News: On Monday, Iran accused the United States of "procrastinating" in indirect talks aimed at reinstating Iran's 2015 nuclear deal, and said a prisoner swap with Washington was not linked to the negotiations. Iran's Foreign Ministry spokesperson Nasser Kanaani said "The Americans are procrastinating and there is inaction from the European sides...America and Europe need an agreement more than Iran." He said Tehran wanted a sustainable deal that would preserve Tehran's legitimate rights". He added "Until we agree on all issues, we cannot say that we have reached a complete agreement." Meanwhile, the United States has repeatedly called on Tehran to release several Iranian-Americans held in Iran on security charges. Iran has demanded several Iranians detained on charges linked to U.S. sanctions to be freed.

European Union Foreign Policy Chief, Josep Borrell, said that a response from Iran to the EU's latest proposal on a nuclear deal with the U.S. was "reasonable". He added "It was transmitted to the United States which has not yet responded formally."

The U.S. State Department said the notion that the country has delayed the Iranian nuclear deal negotiations in any way is not true. It said the U.S. is seriously reviewing Iran's comments on the latest text of the nuclear deal. It added that there are still outstanding issues that need to be resolved. The State Department said it will respond to Iran's response as soon as internal and external consultations are completed and added that the U.S. is encouraged that Iran appears to have dropped some of its non-starter demands. Iran appears to have dropped demands such as lifting terrorism designation for Islamic Revolutionary Guard Corps.

According to the Department of Energy, U.S. crude oil inventory in the SPR fell by 8.1 million barrels in the week ending August 19th. Stockpiles in the SPR fell to 453.1 million barrels, the lowest level since January 1985. The 8.1 million barrel draw was the largest since the end of April.

Early Market Call - as of 8:20 AM EDT

WTI - October \$91.25, up 89 cents

RBOB - September \$2.8500, down 4.12 cents

HO - September \$3.7763, up 1 point

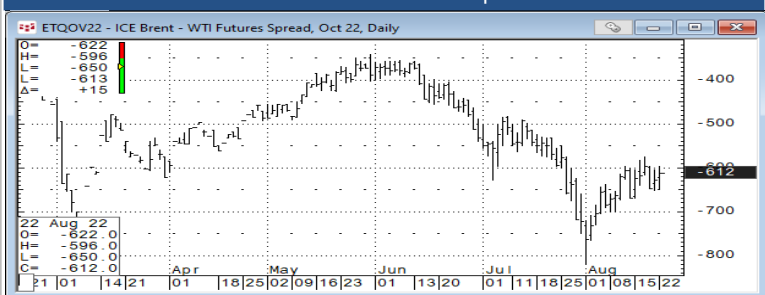
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-22	3.7762	0.0757	0.3359
Oct-22	3.7384	0.0775	0.3232
Nov-22	3.6805	0.0761	0.3038
Dec-22	3.622	0.074	0.2864
Jan-23	3.5675	0.0724	0.2663
Feb-23	3.4969	0.0708	0.2445
Mar-23	3.4131	0.0699	0.2262
Apr-23	3.3272	0.0679	0.2101
May-23	3.2611	0.0605	0.1925
Jun-23	3.2041	0.0508	0.174
Jul-23	3.1601	0.0431	0.1569
Aug-23	3.1177	0.036	0.1419
Sep-23	3.0788	0.0289	0.131
Oct-23	3.0449	0.0243	0.1237
Nov-23	3.0184	0.0218	0.121
Dec-23	2.9936	0.0211	0.1177
Jan-24	2.9664	0.0188	0.1126

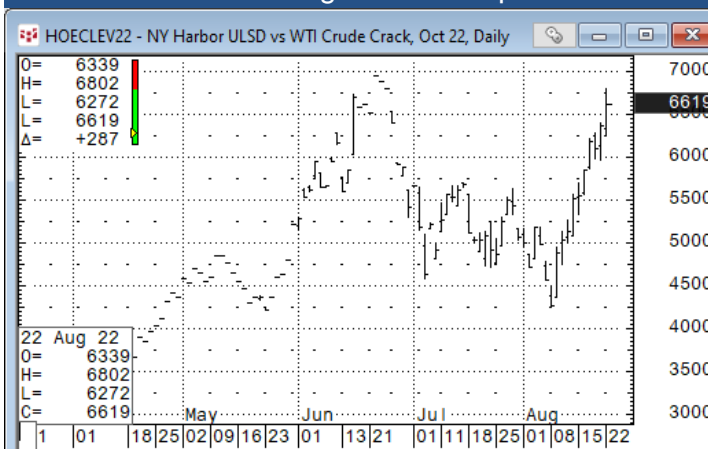
Sprague HeatCurve October 2022-April 2023

	Close	Change
Crude - WTI	\$90.3600	-\$0.0800
Crude - Brent	\$96.4800	-\$0.2400
Natural Gas	\$9.6800	\$0.3440
Gasoline	\$2.8912	-\$0.1263

ICE October Brent-WTI Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

