

Market Commentary

Recap: Oil prices slipped on Friday, pressured by a falling U.S. equities market, but despite daily losses, both blends finished up on the week. Prices couldn't gain enough momentum off the impressive 4.1% rise in the U.S. gross domestic product for the 2nd quarter, alluding to uncertainty over the direction of this market. September WTI fell toward \$68.25, the 10-day moving average; however, it failed to move beyond it, posting its fourth consecutive settlement above this average. We could still see a period of sideways activity, barring any jarring fundamentals. September WTI fell 92 cents, or 1.32%, to settle at \$68.69 a barrel, for a weekly gain of 0.6%. Brent for September delivery settled at \$74.29 a barrel, down 25 cents, or 0.34%, or a weekly gain of 1.7%. September RBOB fell 0.38 cent to finish at \$2.1128 a gallon, while September heating oil slipped 2.15 cents to a settlement of \$2.1594 a gallon.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil increased by 3 to 861 in the week ending July 27th.

Britain's Unite union said a 12-hour strike at Total's offshore oil and gas platforms in the North Sea will go ahead as planned on July 30th. It said no further talks with Total were currently planned. About 40 union members started strike action last Monday, stopping work for 24 hours at the Alwyn, Elgin and Dunbar platforms in the North Sea. The union has scheduled further 24-hour strikes on August 6th and 20th and a 12-hour strike on August 13th if it is unable to reach an agreement with Total.

Russia's Energy Minister, Alexander Novak, said Russia does not use stocks in tanks to help increase its oil output and does not have enough stocks to influence the oil market. Three industry sources have previously stated that Russia used stocks held in tanks at its oilfields to help increase its oil output in June. Russia's Energy Minister said Russia raised its oil output by increasing oil production, not by using stocks. Russia's oil production last month increased by about 100,000 bpd from May. From July 1-15, the country's average oil output was 11.215 million bpd, up 245,000 bpd from May.

Separately, Russia's Energy Minister, Alexander Novak, said the market remains volatile and responds to verbal interventions, adding that the market has priced in risks related to US sanctions against Iran. He said OPEC and its allies are not discussing an option to increase production by more than 1 million bpd.

Brazil's Petrobras plans to push more crude oil to China by marketing a new medium-sweet grade that could be shipped starting in October. Petrobras expects to start pumping pre-salt oil from new platforms in the fourth quarter that would add to its output and lift its exports. The new supply could increase Brazil's market share in China as buyers there cut oil imports from the US following China's announcement that it would impose tariffs on US crude in retaliation against similar moves by the US. The new supply could help lift Petrobras' crude oil exports, which fell by 53.8% in June from a year ago to 696,000 bpd as the company increased its refinery output.

IIR Energy reported that US oil refiners are expected to shut in 482,000 bpd of capacity in the week ending July 27th, increasing available refining capacity by 391,000 bpd in the previous week. IIR expects capacity to fall to 313,000 bpd in the week ending August 3rd and to 251,000 bpd in the week ending August 10th.

Early Market Call - as of 8:35 AM EDT

WTI - Sep \$70.05, up 1.36 cents

RBOB - Aug \$2.1708, up 1 cent

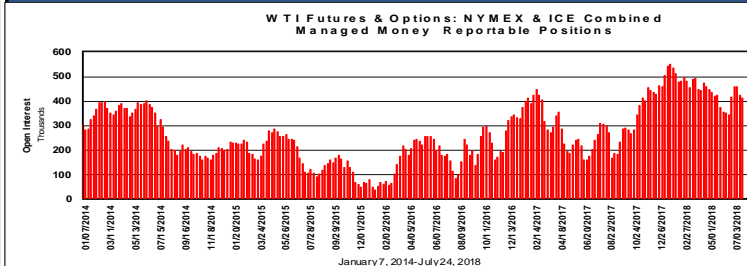
HO - Aug \$2.1636, up 1 cent

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-18	\$2.1552	-\$0.0217	\$0.0508
Sep-18	\$2.1594	-\$0.0215	\$0.0500
Oct-18	\$2.1659	-\$0.0204	\$0.0512
Nov-18	\$2.1717	-\$0.0192	\$0.0512
Dec-18	\$2.1748	-\$0.0182	\$0.0500
Jan-19	\$2.1783	-\$0.0176	\$0.0488
Feb-19	\$2.1750	-\$0.0176	\$0.0478
Mar-19	\$2.1666	-\$0.0175	\$0.0485
Apr-19	\$2.1531	-\$0.0179	\$0.0489
May-19	\$2.1462	-\$0.0180	\$0.0497
Jun-19	\$2.1425	-\$0.0179	\$0.0492
Jul-19	\$2.1467	-\$0.0181	\$0.0480
Aug-19	\$2.1531	-\$0.0181	\$0.0480
Sep-19	\$2.1600	-\$0.0182	\$0.0478
Oct-19	\$2.1668	-\$0.0180	\$0.0480
Nov-19	\$2.1744	-\$0.0178	\$0.0484
Dec-19	\$2.1825	-\$0.0189	\$0.0472

Sprague HeatCurve Oct 2018-April 2019 **\$2.1714**

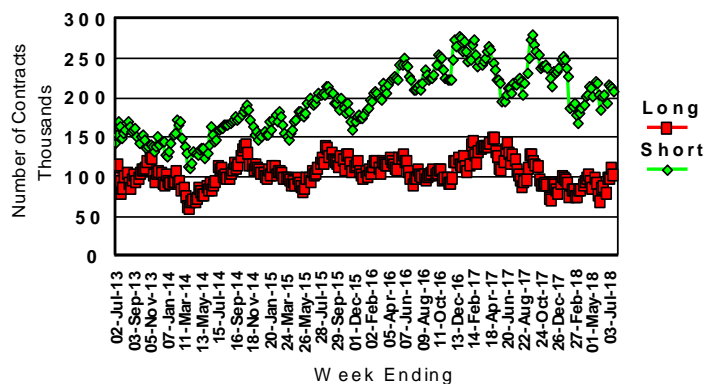
Other Front Month NYMEX		Close	Change
Crude - WTI	Sep Brent-	\$68.6900	-\$0.9200
Crude - Brent	WTI Spread	\$74.2900	-\$0.2500
Natural Gas	\$5.60	\$2.8220	\$0.0420
Gasoline		\$2.1619	-\$0.0004



Commitment of Traders Report for the Week Ending July 24, 2018

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

