

Market Commentary

Recap: Oil prices rebounded on Thursday, after falling to nearly five month lows the previous session, as reports surfaced that the U.S. might hold off on tariffs it plans to impose on Mexico. July WTI experienced an early morning push above unchanged however, early buyers turned sellers on a lack of follow-through above \$52.00 a barrel. The sell-off was light and short-lived, as the aforementioned news sparked a hope filled rally, which pushed this spot contract to a fresh session high of \$53.30 a barrel in post settlement trading. July WTI settled at \$52.59 a barrel, up 91 cents, or 1.8%. After settling at \$61.67 a barrel, up \$1.04, or 1.72%, August Brent pushed through \$62.00 a barrel, reaching a session high of \$62.36. July RBOB rose 0.9% to \$1.708 a gallon and July heating added 0.5% to \$1.788 a gallon.

Technical Analysis: WTI experienced an inside trading day on a lighter volume than that of the previous session. This typically means that the market is taking pause, and is often considered a continuation pattern. That being said, we should see further downside movement, barring any significant fundamentals as seen on Thursday, with difficulty pushing below \$50.00. Below this level, additional support is set at \$48.40. To the upside, resistance is set at \$55.00 and \$58.17.

Fundamental News: Iraq's Oil Minister, Thamer Ghadhbhan, said his country supported a rollover of a current deal between OPEC and its allies to cut oil production, adding that more serious measures should be taken in light of recent market developments.

Russian President, Vladimir Putin, said Russia had differences with OPEC over what constituted a fair price of oil but that Russia would take a joint decision on output with fellow OPEC producers at the policy meeting scheduled for June 25th and 26th.

Russia's Energy Minister, Alexander Novak, said that Russia is in internal talks over its position ahead of the OPEC and non-OPEC meeting in the coming weeks. OPEC and its allies are due to discuss extending or changing the terms of a global oil deal at a meeting in Vienna scheduled for June 25th and 26th. He stated that Russia would be able to offset current cuts to its oil output by the end of the year.

Russia's Lukoil's CEO, Vagit Alekperov, said the company plans to propose that Russia extend its participation in a global oil production cutting deal at existing terms to the end of this year. He said given declining production in Venezuela and restrictions on Iranian oil exports, the global oil industry should be very cautious and safeguard oil price stability, including via the production pact. He said he hopes the outcome of the meeting between OPEC and its allies in the coming weeks would allow the price of oil to rise towards \$70/barrel.

The US is considering delaying the imposition of tariffs on Mexico as time for a deal runs short. Earlier, Mexican and US officials resumed their talks in Washington on Thursday aimed at heading off tariffs on Mexican goods. The two sides met on Wednesday for discussions led by Vice President, Mike Pence, in an effort to strike a deal that would satisfy the US President, who has called for the imposition of tariffs from Monday. Meanwhile, Mexican officials appear to have ramped up efforts to halt the flow of Central American migrants crossing the border to the US, with Mexican soldiers, armed police and migration officials blocking migrants along its own southern border with Guatemala. It was unclear whether the hardening of Mexico's response would appease President Trump.

US President, Donald Trump, said he would make a decision about whether to impose a further series of tariffs on Chinese goods after meeting his Chinese counterpart at the G-20 meeting later this month.

Early Market Call - as of 8:35 AM EDT

WTI - July \$53.04, up 46 cents

RBOB - July \$1.7236, up 1.57 cents

HO - July \$1.8063, up 1.77 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-19	1.7883	0.0083	-0.13
Aug-19	1.7948	0.0096	-0.1281
Sep-19	1.8036	0.0101	-0.1271
Oct-19	1.8133	0.0109	-0.1249
Nov-19	1.8215	0.0121	-0.1223
Dec-19	1.8264	0.0127	-0.1207
Jan-20	1.8297	0.0133	-0.1196
Feb-20	1.8272	0.0138	-0.1189
Mar-20	1.8198	0.0143	-0.1179
Apr-20	1.8072	0.0144	-0.1171
May-20	1.7991	0.0147	-0.1169
Jun-20	1.7948	0.015	-0.1163
Jul-20	1.7964	0.0155	-0.1148
Aug-20	1.7996	0.0161	-0.1127
Sep-20	1.8035	0.0165	-0.1106
Oct-20	1.8064	0.0168	-0.1089
Nov-20	1.8089	0.0173	-0.1064

Sprague HeatCurve Oct 2019-Apr 2020

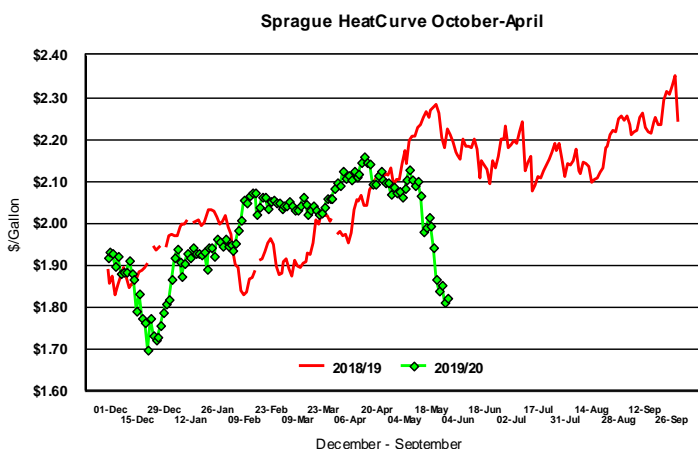
\$1.8230

Other Front Month NYMEX		Close	Change
Crude - WTI	Aug Brent-	\$52.7300	\$0.9000
Crude - Brent	WTI Spread	\$61.6700	\$1.0400
Natural Gas	\$8.94	\$2.3240	-\$0.0540
Gasoline		\$1.7076	\$0.0148

EIA Working Gas Storage Report

	31-May-19	24-May-19	Change	Year Ago
East	414	383	31	324
Midwest	436	399	37	311
Mountain	101	93	8	112
Pacific	213	198	15	220
South Central	821	793	28	744
Salt	256	253	3	234
Nonsalt	565	540	25	511
Total	1,986	1,867	119	1,711

Sprague HeatCurve October-April



ICE August Brent-WTI Spread

