

## Market Commentary

**Recap:** The oil market continued its upward trend on Thursday, breaching the \$80.00 level and peaking at a level not seen since April 19<sup>th</sup> after it posted an inside trading day on Wednesday. The market quickly posted a low of \$78.87 on the opening before it continued to trend higher remaining supported by supply tightness and optimism for global growth. The market is trading higher on hopes that central banks, such as the Fed are nearing the end of their monetary tightening campaigns. The oil market rallied to a high of \$80.60 in afternoon trading. The September WTI contract erased some of its gains ahead of the close and settled up \$1.31 at \$80.09, while the September Brent contract settled up \$1.32 at \$84.24. The product markets settled in positive territory, with the heating oil market settling up 7.4 cents at \$2.9169 and the RB market settling up 4.33 cents at \$2.9505.

**Technical Analysis:** The oil market remains in an upward channel. The market is seen retracing some of its gains before it continues to trade higher on the market's optimism regarding economic growth. The market is seen finding resistance at its high of \$80.60, \$80.89, \$81.25, \$81.44 followed by \$82.13, \$82.27 and \$82.71. However, support is seen at \$79.50, \$79.00, its low of \$78.87, followed by \$78.55, \$78.29, \$77.54 and \$77.24. Further support is seen at \$76.44, \$75.69 and \$75.51.

**Fundamental News:** Russia's Energy Minister, Nikolai Shulginov, said the country's 2023 oil output is forecast at 515 million tons, with the final figure dependent on further quota decisions to be taken by the OPEC+ grouping. Russia's output in 2022 stood at 535 million tons, a 2% year-on-year increase.

Russia's offline primary oil refining capacity has been revised down by 4.1% for July from a previous plan to 2.458 million tons. The idle refining capacity is also below June's levels by about 37.3%. For August, Russia's offline primary oil refining capacity is seen increasing from July by 46.5% to 3.601 million tons. An increase in idle oil refining capacity usually incentivizes exports, hampering Russia's plans to reduce its overseas oil supplies by 500,000 bpd next month.

Colonial Pipeline Co is allocating space for Cycle 44 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

PJK/Insights Global reported that gasoline stocks held in the Amsterdam-Rotterdam-Antwerp independent storage hub in the week ending July 27<sup>th</sup> fell by 3.57% on the week but increased by 0.37% on the year to 1.351 million tons, while gasoil stocks increased by 3.22% on the week and by 39.01% on the year to 2.049 million tons and its fuel oil stocks increased by 4.67% on the week and by 17.6% on the year to 1.323 million tons. Its naphtha stocks increased by 16.88% on the week but fell by 30.41% on the year to 270,000 tons and its jet kero stocks increased by 1.41% on the week but fell by 12.29% on the year to 721,000 tons.

The U.S. economy grew faster than expected in the second quarter as labor market resilience underpinned consumer spending, while businesses increased investment in equipment, potentially keeping a recession at bay. The U.S. Commerce Department said GDP increased at a 2.4% annualized rate last quarter. The economy grew at a 2.0% pace in the January-March quarter.

**Early Market Call - as of 8:15 AM EDT**

WTI - August \$80.05, down 4 cents  
 RBOB - August \$2.9558, up 53 points  
 HO - August \$2.9250, up 81 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-23	2.9169	0.0740	0.2525
Sep-23	2.9088	0.0721	0.2514
Oct-23	2.8856	0.0678	0.2388
Nov-23	2.8448	0.0595	0.2169
Dec-23	2.8005	0.0508	0.1945
Jan-24	2.7696	0.0447	0.1792
Feb-24	2.7389	0.0403	0.1669
Mar-24	2.7035	0.0368	0.1556
Apr-24	2.6615	0.0329	0.1437
May-24	2.6307	0.0291	0.1334
Jun-24	2.6055	0.0256	0.1239
Jul-24	2.5910	0.0229	0.1163
Aug-24	2.5813	0.0212	0.1112
Sep-24	2.5729	0.0197	0.1068
Oct-24	2.5666	0.0181	0.1040
Nov-24	2.5578	0.0160	0.1006
Dec-24	2.5475	0.0146	0.0975

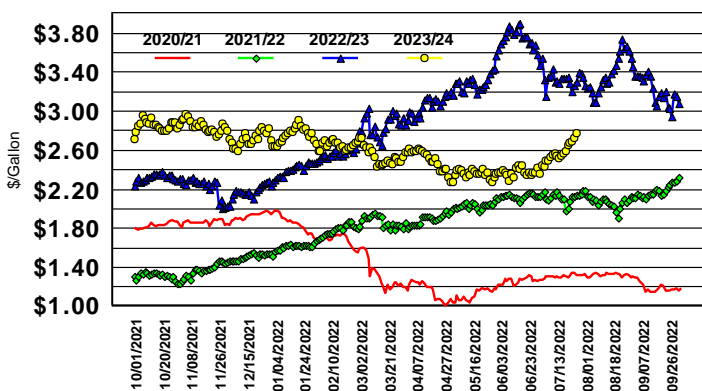
Sprague HeatCurve October 2023-April 2024			\$2.7665
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$4.15	\$80.0900	\$1.3100
Crude - Brent		\$84.2400	\$1.3200
Natural Gas		\$2.4920	-\$0.1730
Gasoline		\$2.9505	\$0.0433

### EIA Working Gas Storage Report

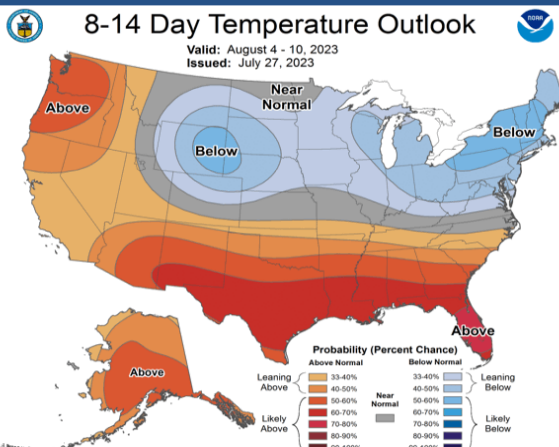
	21-Jul-23	14-Jul-23	Change	21-Jul-22
East	670	661	9	530
Midwest	757	741	16	623
Mountain	189	186	3	144
Pacific	232	232	0	253
South Central	1139	1150	-11	864
Salt	310	321	-11	197
Nonsalt	829	829	0	667
Total	2987	2971	16	2,414

## Sprague HeatCurve October-April

### Sprague HeatCurve October-April



## Weather Forecast



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.