

Market Commentary

Recap: Oil prices fell from a 2-week high, as escalating trade tensions between China and the U.S. pressured commodities across the board. The commencement of the tariffs is expected to hamper demand for oil, which overturned the bullish reaction to this week's U.S. inventory report. At the onset of Thursday's trading, prices mildly extended Wednesday's gains, but the aforementioned kept a lid on prices. October WTI rose as much as 0.38%, reaching a high of \$68.12 before paring gains to settle at \$67.83 a barrel, down 3 cents, or 0.05%. Brent for October delivery slipped 5 cents, or 0.1%, to settle at \$74.73 a barrel.

September RBOB lost less than a cent, or 0.4%, to \$2.059 a gallon, while September heating oil added less than a penny, or 0.3%, to \$2.175 a gallon.

Fundamental News: Saudi Arabia's Energy Minister, Khalid al-Falih, denied a report that Saudi Aramco's initial public offering will be called off. He said the government remains committed to the initial public offering of Saudi Aramco.

The Kremlin said it noted a lack of desire in Washington to find area where relations could be improved. It was speaking ahead of a meeting later on Thursday in Geneva between US National Security Adviser, John Bolton, and his Russian counterpart, Nikolai Patrushev, the first high-level meeting of its kind since the Russian and US Presidents held talks in Helsinki in July.

Oil exports from Iran have declined steeply in the first half of August. S&P Global Platts trade flow software cFlow reported that Iranian crude and condensate exports have declined to 1.68 million bpd in the first 16 days of August, down more than 600,000 bpd from loadings in July. Exports averaged 2.32 million bpd in July as a whole and 2.1 million bpd in the first 16 days of the month.

Venezuela's PDVSA is preparing to increase fuel prices in the domestic market in September after two decades of frozen prices and millions of dollars lost in subsidies and smuggling. Venezuela's President Nicolas Maduro announced last weekend he was given PDVSA approval to increase the price of gasoline to international levels. Daily consumption is estimated at 190,000 bpd, of which 83,000 bpd are imported. There is no guarantee, however, that the increase in gasoline prices will reduce PDVSA's millions in losses in view of the subsidized sale of refined products.

Britain's union Unite said talks between Total and workers on three of its North Sea oil and gas platforms broke down on Thursday, meaning that a series of planned strikes over working rotas will proceed. Further strike dates to stop operations on Total's Alwyn, Elgin and Dunbar platforms are set for September 3rd, September 17th, October 1st, October 15th and October 29th. The three fields' oil production contributes about 45,000 to 50,000 bpd to the North Sea's Forties and Brent crude streams.

Gasoline stocks independently held in the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending August 23rd fell by 14.32% on the week and by 12.07% on the year to 772,000 tons. Gasoil stocks increased by 3.28% on the week but fell by 5.79% on the year to 2.585 million tons while its fuel oil stocks increased by 4.54% on the week and by 2.6% on the year to 1.106 million tons.

Early Market Call - as of 9:00 AM EDT

WTI - Oct \$68.73, up 90 cents
 RBOB - Sep \$2.0774, up 1.76 cents
 HO - Sep \$2.2025, up 2.70 cents

All NYMEX | Prior Settlements

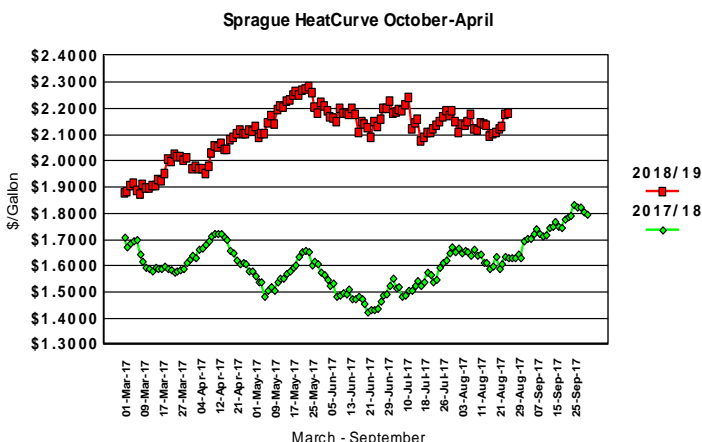
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-18	\$2.1754	\$0.0071	\$0.0790
Oct-18	\$2.1807	\$0.0071	\$0.0799
Nov-18	\$2.1844	\$0.0070	\$0.0800
Dec-18	\$2.1863	\$0.0059	\$0.0793
Jan-19	\$2.1890	\$0.0050	\$0.0784
Feb-19	\$2.1864	\$0.0047	\$0.0787
Mar-19	\$2.1788	\$0.0049	\$0.0796
Apr-19	\$2.1597	\$0.0049	\$0.0795
May-19	\$2.1572	\$0.0048	\$0.0776
Jun-19	\$2.1514	\$0.0046	\$0.0754
Jul-19	\$2.1542	\$0.0046	\$0.0747
Aug-19	\$2.1597	\$0.0047	\$0.0746
Sep-19	\$2.1679	\$0.0045	\$0.0744
Oct-19	\$2.1745	\$0.0046	\$0.0743
Nov-19	\$2.1797	\$0.0053	\$0.0735
Dec-19	\$2.1852	\$0.0063	\$0.0711
Jan-20	\$2.1956	\$0.0063	\$0.0686

Sprague HeatCurve Oct 2018-April 2019			\$2.1832
Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent-	\$67.8300	-\$0.0300
Crude - Brent	WTI Spread	\$74.7300	-\$0.0500
Natural Gas	\$6.90	\$2.9640	\$0.0080
Gasoline		\$2.0592	-\$0.0088

EIA Natural Gas Storage Report

	17-Aug-18	10-Aug-18	Change	Year Ago
East	613	592	21	724
Midwest	632	603	29	818
Mountain	153	151	2	206
Pacific	239	240	-1	295
South Central	798	801	-3	1,076
Salt	185	190	-5	275
Nonsalt	613	610	3	801
Total	2,435	2,387	48	3,119

Sprague HeatCurve Winter 2018/19



ICE October WTI-Brent Spread

