

Market Commentary

Recap: Oil prices bounced on Friday, just one day after falling more than 7%. September WTI was up \$2.10, or 3.8%, to \$56.05 a barrel by 9:24 a.m. EDT, while October Brent gained \$2.43, or 4%, to trade at \$62.93 a barrel. The market continues to mull over U.S. President Donald Trump's threat to impose additional tariffs on Chinese imports and what these new tariffs mean for oil demand. Being that China has taken in very little U.S. crude oil year-to-date, the impact of tariffs could be minimal for oil. Oil prices have remained under pressure as bullish fundamentals have been overshadowed by the weak global economic outlook. September WTI rose \$1.71, or 3.2%, to settle at \$55.66 a barrel, but fell 1% for the week. October Brent settled at \$61.89 a barrel, up \$1.39, or 2.3%. It ended 2.5% lower for the week. September RBOB rose 3.2 cents, or 1.8%, to \$1.7815 a gallon, ending 2.2% lower for the week, while September heating oil added 3.7 cents, or 2%, to \$1.8902 a gallon, for a weekly loss of 1.2%.

Technical Analysis: WTI continues to trend sideways within the symmetrical triangle that can be depicted on a weekly spot continuation chart. With this week's lower settlement and moving oscillators turned slightly to the downside, we would look for prices to begin the week trading to the downside. Support is set at \$53.59 and below that at \$52.65. Resistance is set at \$56.32 and above that at \$57.02.

Fundamental News: US energy firms this week reduced the number of oil rigs operating for a fifth consecutive week as most independent producers cut spending. Baker Hughes reported that driller cut six oil rigs in the week ending August 2nd, bringing the total count to 770, the lowest since February 2018.

The US Census Bureau reported that US crude oil exports in June increased by 260,000 bpd to a record of 3.16 million bpd as South Korea bought record volumes and China resumed purchases. South Korea surpassed Canada to become the largest purchaser of US crude at about 605,000 bpd. Canada imported 311,000 bpd of US crude oil, while China purchased about 292,000 bpd and India imported about 290,000 bpd of US crude.

IIR Energy reported that US oil refiners are expected to shut in 82,000 bpd of capacity in the week ending August 2nd, increasing available refining capacity by 134,000 bpd from the previous week. Offline capacity is expected to fall to 74,000 bpd in the week ending August 9th, and further decline to 59,000 bpd in the week ending August 16th.

Plains All American Pipeline LP said it will tack on a fee for users of its 670,000 bpd Cactus II pipeline to pay for the cost of the Trump administration's tariffs on imported steel. Plains will begin charging shippers a 5 cent/barrel fee on its 670,000 bpd pipeline next April to offset higher construction costs from government regulation and tariffs. Plains last year estimated the 25% steel tariff would add \$40 million to its costs for the \$1.1 billion pipeline. Plains All American Pipeline LP said spot tariff rates on its newly constructed Cactus II pipeline will range between \$4.75 to \$5.60/barrel from origin points in the Permian to the US Gulf Coast. The tariff went into effect on Friday.

China on Friday said it would not be blackmailed and warned of retaliation after US President Donald Trump threatened to impose an additional 10% tariff on \$300 billion of Chinese imports starting in September. President Trump said the US planned to levy additional duties from September 1st, marking an abrupt end to a truce in a year-long trade war that has slowed global economic growth and disrupted supply chains. He also threatened to further raise tariffs, even beyond the 25% levy he has already imposed on \$250 billion of Chinese imports if China's President, Xi Jinping, fails to move more quickly to strike a trade deal. China's Foreign Ministry spokeswoman, Hua Chunying, said China would not give an inch under pressure from the US. Meanwhile, senior Chinese diplomat, Wang Yi, said threatening more tariffs on Chinese goods was not a correct or constructive way to resolve the US-China trade dispute.

Early Market Call - as of 8:50 AM EDT

WTI - Sep \$54.90, down 76 cents

RBOB - Sep \$1.7565, down 2.52 cents

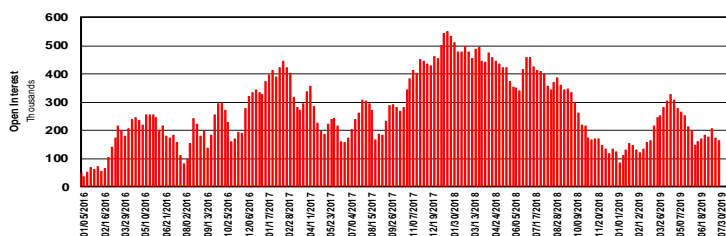
HO - Sep \$1.8645, down 2.61 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-19	1.8902	0.0373	-0.0231
Oct-19	1.8962	0.0367	-0.0237
Nov-19	1.8992	0.0366	-0.0246
Dec-19	1.8999	0.0368	-0.0249
Jan-20	1.8999	0.0370	-0.0251
Feb-20	1.8945	0.0370	-0.0254
Mar-20	1.8839	0.0368	-0.0259
Apr-20	1.8700	0.0370	-0.0259
May-20	1.8599	0.0373	-0.0270
Jun-20	1.8530	0.0376	-0.0283
Jul-20	1.8533	0.0378	-0.0287
Aug-20	1.8551	0.0380	-0.0289
Sep-20	1.8574	0.0379	-0.0291
Oct-20	1.8586	0.0376	-0.0298
Nov-20	1.8599	0.0374	-0.0301
Dec-20	1.8593	0.0375	-0.0300
Jan-21	1.8608	0.0377	-0.0302

Sprague HeatCurve Oct 2019-Apr 2020		\$1.8934	
Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$6.22	\$55.6700	\$1.6600
Crude - Brent		\$61.8900	\$1.3900
Natural Gas		\$2.1210	-\$0.0810
Gasoline		\$1.7815	\$0.0316

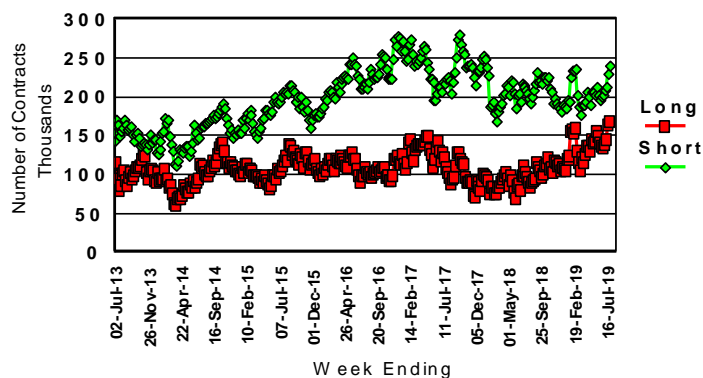
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending July 30, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

