

Market Commentary

Recap: The oil market on Friday pulled back following Thursday's sharp rally on expectations that the supply disruption in the U.S. Gulf of Mexico would be short-term. While the market traded higher early in the session and attempted to test its upside, the market held resistance and sold off. It was pressured by news that seven Gulf of Mexico platforms shut down on Thursday would resume operations following the repair work on a pipeline that was shut in due to a leak. Crews were expected to replace an oil pipeline piece by the end of the day on Friday. The market breached its previous low of \$91.24 and sold off to a low of \$91.16 by mid-day. The September WTI contract settled in a sideways trading range during the remainder of the session and settled down \$2.25 at \$92.09. The October Brent contracts settled down \$1.45 at \$98.15. Meanwhile, the product market ended the day mixed, with the heating oil market settling up 3.38 cents at \$3.5178 and the RBOB market settling down 2.55 cents at \$3.0460.

Technical Analysis: While the market was trending higher earlier this week, the market has remained within a downward trend channel. It is seen remaining in its recent trading range after it held its resistance during Friday's attempt to continue to trade higher. The market will look for confirmation over the weekend on the resumption of production at the seven Gulf of Mexico platforms that were shut due to a pipeline leak on Thursday, which will likely keep its gains limited. The market is seen finding resistance at its highs of \$94.81, \$95.05 followed by \$96.20, its 62% retracement level off a low of \$87.01 to a high of \$101.88 and \$96.58, basis a trendline. Meanwhile, support is seen at its low of \$91.16, \$90.60, \$89.72, \$87.66, \$87.22 and \$87.01.

Fundamental News: The executive director of Greater Lafourche Port Commission, Chett Chiasson, said crews were expected to replace a damaged oil pipeline piece by the end of the day on Friday allowing for the resumption of production at seven offshore U.S. Gulf of Mexico oil platforms. A failed flange connecting two pipelines operated by Shell in Louisiana caused about two barrels of oil to leak. On Thursday, Shell said it shut its Mars, Ursa and Olympus oil production platforms and four others operated by other oil companies connected to the affected pipeline systems were also shut. Later, Shell said its Amberjack pipeline resumed operations and flowing at reduced capacity, while the Mars oil pipeline is expected back online on Friday.

Chevron Corp said the Amberjack pipeline system is resumed operations after it was shut on Thursday due to a leak. It said that it is in the process of ramping up production at the Jack/St. Malo, Tahiti and Big Foot platforms.

A senior Iranian diplomat said a European Union proposal to revive talks to salvage the 2015 Iran nuclear deal "can be acceptable if it provides assurances" on Iran's key demands. The EU proposed a "final" text following four days of indirect talks between the U.S. and Iranian officials in Vienna. A senior EU official said no more changes could be made to the text, which has been under negotiation for 15 months. He said he expected a final decision from the parties within a "very, very few weeks."

U.S. energy firms this week cut the number of oil and natural gas rigs for a second consecutive week. Baker Hughes reported that the U.S. oil and gas rig count fell by one to 763 in the week ending August 12th. It reported that the number of U.S. oil rigs increased by three to 601 this week, while gas rigs fell by one to 160.

IIR Energy reported that U.S. oil refiners are expected to have shut in 465,000 bpd of capacity in the week ending August 12th, decreasing available refining capacity by 20,000 bpd.

Early Market Call - as of 8:20 AM EDT

WTI - September \$87.33, down \$4.74

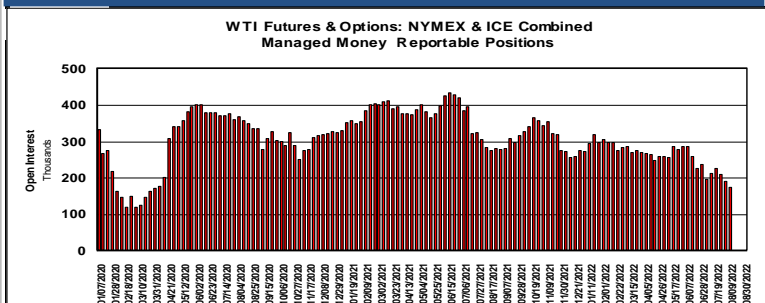
RBOB - September \$2.9196, down 12.63 cents

HO - September \$3.3970, down 12.08 cents

All NYMEX | Prior Settlements

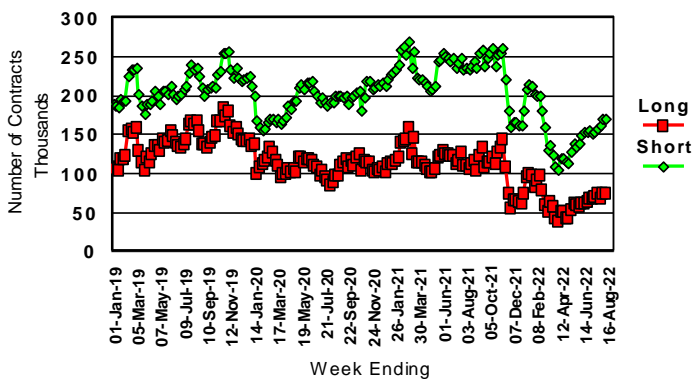
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-22	3.5178	0.0338	0.3019
Oct-22	3.4862	0.0331	0.3006
Nov-22	3.444	0.0287	0.2894
Dec-22	3.4001	0.0242	0.2735
Jan-23	3.3631	0.0207	0.2579
Feb-23	3.3134	0.0167	0.2388
Mar-23	3.2446	0.0107	0.2216
Apr-23	3.1693	0.0043	0.2042
May-23	3.1167	0.0017	0.1923
Jun-23	3.0766	0.0015	0.1852
Jul-23	3.0506	-0.0001	0.1762
Aug-23	3.0245	-0.0024	0.1663
Sep-23	2.9973	-0.0062	0.1595
Oct-23	2.9689	-0.0099	0.1472
Nov-23	2.9439	-0.0132	0.137
Dec-23	2.921	-0.0163	0.1276
Jan-24	2.8984	-0.0173	0.1241

Sprague HeatCurve October 2022-April 2023			\$3.3431
		Close	Change
Crude - WTI	Oct Brent-WTI Spread \$6.69	\$91.4600	-\$2.0700
Crude - Brent		\$98.1500	-\$1.4500
Natural Gas		\$8.7680	-\$0.1060
Gasoline		\$3.0460	-\$0.0255



Commitment of Traders Report for the Week Ending August 9, 2022

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report

