

Market Commentary

Recap: Oil futures rose on Friday, gaining for the fifth consecutive week on expectations demand growth will outpace supply. The infrastructure deal struck by a bipartisan group of senators and President Joe Biden on Thursday, which include a proposed \$6 billion sale from the U.S. emergency oil reserved, added to weakness in the dollar to help push prices higher. August WTI finished the week at \$74.05 a barrel, up 75 cents, or 1.02% on the day, while August Brent settled at \$76.18, up 62 cents, or 0.82%. Petroleum products finished lower on Friday, but ended the week higher. July RBOB fell nearly 0.8% to \$2.26 a gallon, with prices up 4.4% on the week. July heating oil lost 0.6% at 42.15 a gallon, for a weekly gain of 2.7%.

Technical Analysis: Looking ahead to next week, all eyes are on the Organization of the Petroleum Exporting Countries, Russia and allies - together called OPEC+ - who are due to meet on July 1 to discuss further easing of their output cuts from August. On the demand side, the key factors OPEC+ will have to consider are strong growth in the United States, Europe and China, bolstered by vaccine rollouts and economies reopening, according to analysts who said this was countered by rising COVID-19 cases and outbreaks in other places. Since OPEC+ decided in April to gradually roll back previous output cuts from May through July, WTI and Brent have reached their highest levels since October 2018. The front-month August Brent settled at more than a two year high on Thursday, while WTI returned to its October 2018 level on June 21. The prospect of sanctions on Iran being lifted and more of its oil hitting the market anytime soon has dimmed, with a U.S. official saying serious differences remain over a range of issues over Tehran's compliance with the 2015 nuclear deal. At the start of the week, we would look for WTI to continue its reach for \$75, with additional resistance set at \$76.43. Support is seen at \$72.41 and below that at \$70.

Fundamental News: U.S. energy firms kept the number of oil and natural gas rigs unchanged this week. Baker Hughes reported that the oil and gas rig count, an early indicator of future output, were steady at 470 in the week ending June 25th, maintaining its April 2020 high. U.S. oil rigs fell one to 372 this week, while gas rigs increased by one to 98.

IIR Energy reported that U.S. oil refiners are expected to shut in 539,000 bpd of capacity offline in the week ending June 25th, cutting available refining capacity by 46,000 bpd from the previous week. Offline capacity is expected to fall to 373,000 bpd in the week ending July 2nd.

U.S. Secretary of State, Anthony Blinken, said the lack of an interim agreement between the U.N.'s IAEA and Iran on the monitoring of atomic activities is a serious concern that has been communicated to Iran. The IAEA is in talks with Iran on extending an interim monitoring deal that expired on Thursday. Meanwhile, a spokesman for the IAEA said that the Director General Rafael Mariano Grossi would inform the IAEA Board of Governors on the matter on Friday. Later, he stated that Iran has not responded to the agency on extending their monitoring agreement that expired overnight, calling for an "immediate" answer from Tehran.

J.P. Morgan sees Brent crude prices averaging \$76/barrel in the third quarter and \$80/barrel in fourth quarter, up \$2 and \$6 from its previous forecasts, respectively. The bank now sees global oil demand increasing from an average of around 97.7 million bpd in June to 99.7 million bpd in August, averaging 99.1 million bpd in the third quarter. The bank expects global oil demand to cross 100 million bpd in December, averaging at 99.6 million bpd in the fourth quarter.

Early Market Call - as of 8:30 AM EDT

WTI - July \$73.85, down 20 cents

RBOB - July \$2.2493, down 1.3 cents

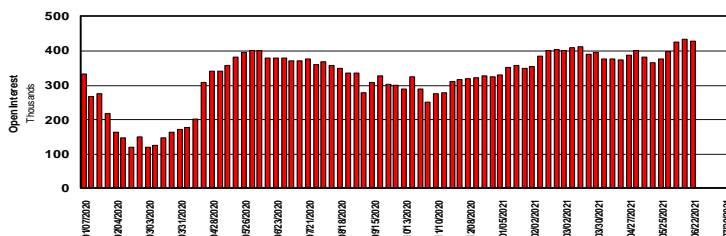
HO - July \$2.1428, down 68 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-21	2.1493	-0.0130	0.0561
Aug-21	2.1515	-0.0135	0.0548
Sep-21	2.1540	-0.0135	0.0540
Oct-21	2.1543	-0.0138	0.0531
Nov-21	2.1534	-0.0139	0.0532
Dec-21	2.1517	-0.0139	0.0534
Jan-22	2.1490	-0.0143	0.0531
Feb-22	2.1428	-0.0148	0.0525
Mar-22	2.1306	-0.0148	0.0519
Apr-22	2.1139	-0.0144	0.0520
May-22	2.1007	-0.0141	0.0517
Jun-22	2.0907	-0.0138	0.0518
Jul-22	2.0875	-0.0138	0.0513
Aug-22	2.0851	-0.0140	0.0505
Sep-22	2.0833	-0.0142	0.0487
Oct-22	2.0821	-0.0142	0.0496
Nov-22	2.0808	-0.0142	0.0493

Sprague HeatCurve October 2021-April 2022		\$2.1433
	Close	Change
Crude - WTI	\$74.0500	\$0.7500
Crude - Brent	\$76.1800	\$0.6200
Natural Gas	\$3.4960	\$0.0780
Gasoline	\$2.2639	-\$0.0170

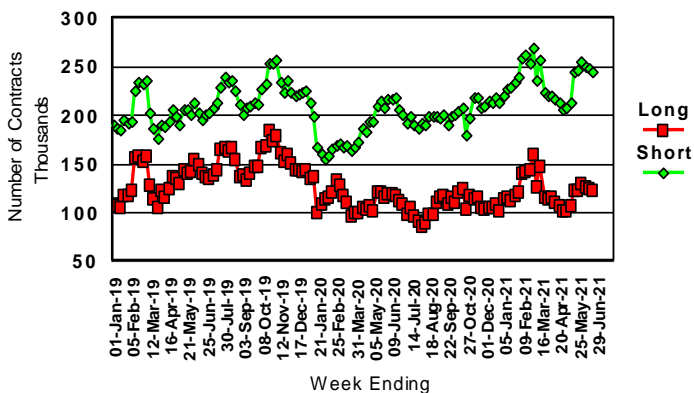
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending June 22, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

