

## Market Commentary

**Recap:** The oil market on Thursday remained in its downward trend channel but rebounded after falling nearly 5% over the previous three trading sessions this week in a sell-off that was mostly driven by weak Chinese economic data. In overnight trading, the crude market breached its previous low of \$79.05 and posted a low of \$78.95. However, the market bounced off that level and never looked back as the market retraced most of the losses seen during Wednesday's session as China's central bank attempted to ease concerns over the country's property market and wider economy. China's central bank said it would keep its policy "precise and forceful" to support the country's economic recovery. The oil market was also well supported by news that China made a rare draw on crude inventories in July, the first time in 33 months. The market extended its gains to \$1.70 as it rallied to a high of \$81.08 by mid-morning. However, the market later retraced some of its gains and traded back towards \$80.15 ahead of the close. The September WTI contract settled up \$1.01 at \$80.39 and the October Brent contract settled up 67 cents at \$84.12. The product markets settled in mixed territory, with the heating oil market settling up 7.29 cents at \$3.0938 and the RB market settling down 4.54 cents at \$2.8217.

**Technical Analysis:** The crude market will remain driven by economic news. Technically, while the market rallied higher during Thursday's session, the market remains in a downward trend channel and its stochastics are still trending lower. The market is seen finding resistance at \$80.93, the upper boundary of the trend channel, its high of \$81.08 followed by \$81.43, \$82.91, \$83.20, \$83.81 and \$84.89. Meanwhile, support is seen at its low of \$78.95, \$78.69, \$78.55, \$78.29, \$78.16 and \$77.73.

**Fundamental News:** UBS sees Brent at \$95/barrel and WTI crude at \$91/barrel by the end of December, up from the current \$90/barrel and \$85/barrel, respectively. It sees global oil demand in August reaching 103 million bpd, a record high. It expects the global oil markets to be undersupplied by about 2 million bpd in August and by more than 1.5 million bpd in September. It does not expect recent price declines to persist, in light of the oil market's firming fundamentals.

Refinitiv Eikon data showed that northwestern European gasoline exports to the United States in August so far stood at around 752,000 metric tons, compared with about 1 million tons in July. Meanwhile, northwestern European gasoline exports to West Africa in August so far stood at around 1.13 million metric tons, compared with around 800,000 tons in July. Refinitiv Eikon data also showed that global diesel shipments for arrival in Europe in August are set to reach 4.2 million metric tons, well below the 7.23 million tons delivered in July.

PJK/Insights Global reported that gasoline stocks held in the Amsterdam-Rotterdam-Antwerp terminal in the week ending August 17<sup>th</sup> increased by 9.92% on the week and by 5.3% on the year to 1.451 million tons, while its gasoil stocks fell by 0.19% on the week but increased by 36.02% on the year to 2.058 million tons and fuel oil stocks increased by 3.31% on the week and by 4.83% on the year to 1.28 million tons. Naptha stocks increased by 9.92% on the week and by 5.3% on the year to 1.451 million tons and its jet kero stocks increased by 0.28% on the week but fell by 15.7% on the year to 714,000 tons.

The number of Americans filing new claims for unemployment benefits fell last week. The U.S. Labor Department said initial claims for state unemployment benefits fell by 11,000 to a seasonally adjusted 239,000 in the week ended August 12<sup>th</sup>. It reported that the number of people receiving benefits after an initial week of aid increased by 32,000 to 1.716 million during the week ending August 5<sup>th</sup>.

A gauge of future U.S. economic activity fell for the 16<sup>th</sup> consecutive month in July, though the pace of decline slowed from earlier in the year. The Conference Board said its Leading Economic Index fell 0.4% in July after declining 0.7% in June.

**Early Market Call - as of 8:30 AM EDT**

WTI - September \$79.90, down 49 cents

RB0B - September \$2.7973, down 2.44 cents

HO - September \$3.1193, up 2.55 cents

## All NYMEX | Prior Settlements

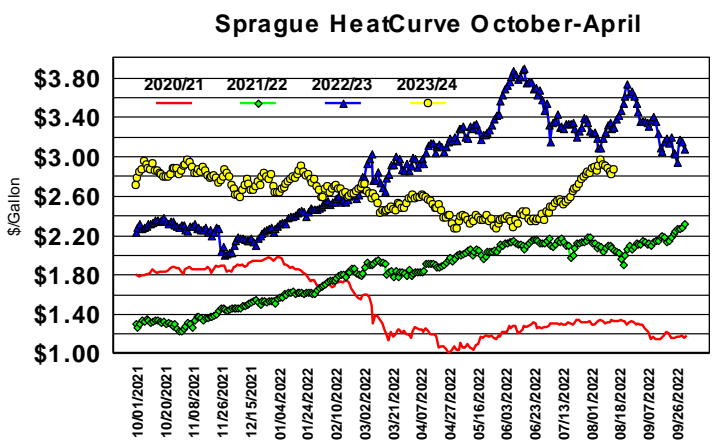
Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.0938	0.0729	-0.0595
Oct-23	3.0679	0.0709	-0.0535
Nov-23	2.9946	0.0585	-0.0562
Dec-23	2.9053	0.0491	-0.0615
Jan-24	2.8551	0.0408	-0.0632
Feb-24	2.8144	0.0354	-0.0599
Mar-24	2.7691	0.0312	-0.0553
Apr-24	2.7187	0.0275	-0.0492
May-24	2.6844	0.0246	-0.0428
Jun-24	2.6599	0.0229	-0.0354
Jul-24	2.6513	0.0212	-0.0331
Aug-24	2.6443	0.0196	-0.0337
Sep-24	2.6377	0.0190	-0.0344
Oct-24	2.6287	0.0185	-0.0332
Nov-24	2.6145	0.0169	-0.0306
Dec-24	2.5969	0.0157	-0.0271
Jan-25	2.5801	0.0152	-0.0240

Sprague HeatCurve October 2023-April 2024			\$2.8624
		Close	Change
Crude - WTI	Oct Brent-WTI Spread \$4.22	\$79.9000	\$0.8800
Crude - Brent		\$84.1200	\$0.6700
Natural Gas		\$2.6210	\$0.0290
Gasoline		\$2.8217	-\$0.0454

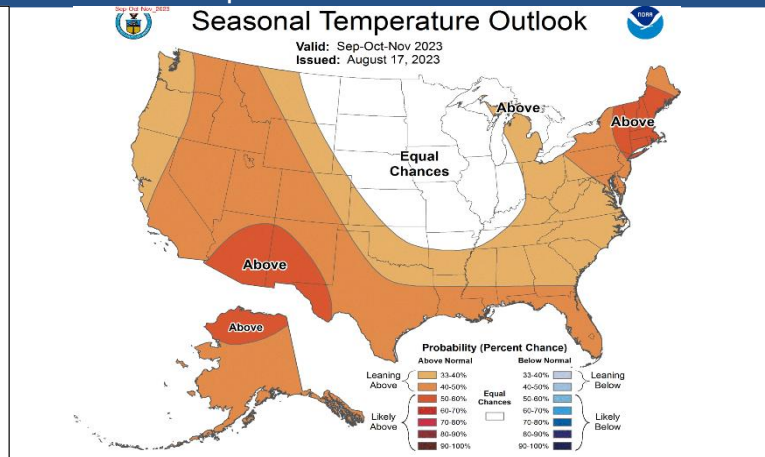
## EIA Working Gas Storage Report

	11-Aug-23	04-Aug-23	Change	11-Aug-22
East	717	700	17	570
Midwest	812	793	19	681
Mountain	202	196	6	151
Pacific	240	233	7	249
South Central	1093	1108	-15	867
Salt	272	284	-12	186
Nonsalt	821	824	-3	681
Total	3065	3030	35	2,516

## Sprague HeatCurve October-April



## Sep-Oct-Nov Outlook



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