

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices rebounded after suffering early losses on Tuesday, ending a four day losing streak. A recovery in equities prompted oil traders into bottom picking mode, as they looked to take advantage of the nearly 5 month low in oil prices. Both Brent and WTI were trading lower on the day, with August Brent reaching a session low of \$60.22 a barrel, down \$1.06 by 5:45 am EDT, while July WTI fell 82 cents, to a session low of \$52.43 a barrel. But, by 11:35 am EDT, oil prices rose off of session lows, with August Brent recovering \$1.88, to trade at a session high of \$62.10 a barrel, up 82 cents on the day, and July WTI tacking on 53 cents, to reach a high of \$53.38 a barrel. Gains were trimmed, with August Brent settling at \$61.97 a barrel, down 69 cents, or 1.1%, and July WTI adding 23 cents, or 0.4%, to settle at \$53.48 a barrel. July RBOB fell 1% at \$1.724 a gallon, down a fifth straight session, while July heating oil settled 0.8% higher at \$1.822 a gallon, following a four session decline.

Technical Analysis: Oil prices bounced around on Tuesday, trying to find a bit of equilibrium after experiencing a rough ride over the last couple of weeks. The market appears to be a bit oversold at the moment, making Tuesday's higher move acceptable. At this point in time, we would not be surprised to see a rebound toward \$55.00 in WTI, this market should encounter fresh selling. Resistance is set at \$55.00, and above that at \$58.17. To the downside, we should see support set at \$52.00 and \$50.00.

Fundamental News: Iran has told OPEC that it opposes delaying the group's next meeting until July. OPEC is currently scheduled to meet on June 25th, followed by talks with its allies led by Russia on June 26th. However, Russia suggested moving the meeting to July 3-4 and Riyadh supports the request. Iran's Oil Minister, Bijan Zanganeh, in a letter said he disagreed with an OPEC proposal to reschedule the group's next meeting to early July. In a separate letter, OPEC said Algeria and Kazakhstan also disagreed with moving the dates. Sources stated that Venezuela and Libya additionally opposed a schedule change.

Russian oil company, Rosneft's CEO, Igor Sechin, said that the company was discussing possible compensation from the government in the event that a global deal to cut output is extended.

Russia's average oil production stood at 10.87 million bpd on June 1-3, down from an average of 11.11 million bpd in May. The oil output in the first three days of June was the lowest since mid-2016. The decline follows the discovery in mid-April of contaminated Urals crude in the Druzhba pipeline to Europe.

The Norwegian Oil and Gas Association announced Norwegian oil workers struck a wage deal with employers on Tuesday, averting the outbreak of a strike that would have cut production by 440,000 bpd of oil equivalents. Altogether nine offshore fields had been at risk for a shutdown in case of a strike.

US President, Donald Trump, said he would likely order new tariffs on all Mexican goods imported to the US next week despite a diplomatic push to avoid the levies. It said Mexican goods would pay new tariffs beginning on June 10th if Mexico did not halt an increase in US bound immigrants. Mexico was preparing a proposal on immigration to present to US officials at a meeting in Washington on Wednesday, however President Trump said the talks might not be enough.

Iran's Supreme Leader, Ayatollah Khamenei, said US policies in Iraq, Syria, Lebanon and Syria have failed. He also stated that Iran would not be deceived by US President Donald Trump's offer of negotiations and would not give up its missile program. He said the US will not be able to deprive Iran of its missile capabilities.

Early Market Call - as of 8:35 AM EDT

WTI - July \$52.65, down 83 cents
 RBOB - July \$1.7033, down 2.08 cents
 HO - July \$1.7971, down 2.41 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-19	1.8215	0.015	-0.1723
Jul-19	1.8265	0.0152	-0.1716
Aug-19	1.8356	0.0151	-0.1695
Sep-19	1.8445	0.0146	-0.1675
Oct-19	1.8513	0.0139	-0.1661
Nov-19	1.8556	0.0136	-0.1647
Dec-19	1.8585	0.0132	-0.1633
Jan-20	1.8562	0.0125	-0.1609
Feb-20	1.8488	0.0115	-0.1581
Mar-20	1.8363	0.0105	-0.1552
Apr-20	1.8287	0.0097	-0.1525
May-20	1.8244	0.009	-0.1504
Jun-20	1.8253	0.0083	-0.1475
Jul-20	1.8276	0.0075	-0.1443
Aug-20	1.8309	0.0065	-0.1408
Sep-20	1.8333	0.0056	-0.1374
Oct-20	1.835	0.0052	-0.1349

Sprague HeatCurve Oct 2019-Apr 2020		\$1.8523	
Other Front Month NYMEX		Close	Change
Crude - WTI	Aug Brent-	\$53.6300	\$0.2500
Crude - Brent	WTI Spread	\$61.9700	\$0.6900
Natural Gas	\$8.34	\$2.4160	\$0.0130
Gasoline		\$1.7242	-\$0.0171

API Weekly Report for the Week Ending May 31, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 3.5million barrels	Down 849,000 barrels
Cushing, OK Crude Stocks	Up 1.4 million barrels	
Gasoline Stocks	Up 2.7 million barrels	Up 630,000 barrels
Distillate Stocks	up 6.3 million barrels	up 499,000 barrels
Refinery Runs	Up 96,000 bpd	

NYMEX Heating Oil July-August Spread

NYMEX RBOB July-August Spread

