

Market Commentary

Recap: Oil prices firmed on Friday after suffering significant losses on Thursday. Prices were supported by rising tensions between the U.S. and Iran however gains were contained by concerns that a slowing economy will have a negative impact on global demand. August WTI made a failed attempt to trade below \$55.00 a barrel early in the session, with its' failure to do so sparking a technical rally that gained momentum off of the aforementioned news. August futures, which are soon to expire, briefly traded above \$56.00, stopping at a session high of \$56.36 a barrel before slipping back below \$56.00 to settle at \$55.63 a barrel, up 33 cents, or 0.6%. It fell 7.6% for the week after settling Thursday at its lowest in a month. September Brent bounced off of a session low of \$61.84 a barrel, to trade at a session high of \$63.30. August RBOB gained .0063, to settle at \$1.8405 a gallon, while August heating oil added 2.71 cents to settle at \$1.8896 a gallon.

Technical Analysis: WTI finished the week at a pivotal point, having settled above \$55.00. As of now, our bias is to the downside, but we would like to see a settle below \$55.00. That being said, given the tensions in the Mid-east, this may prove to be difficult. Before stepping into the bear den, we would like to see how the trading week begins. Below \$55.00, additional support is set at \$54.30 and below that at \$53.45. To the upside, resistance is set at \$56.70 and \$57.46.

Fundamental News: Baker Hughes reported that the number of rigs searching for oil in the US fell by 5 to 779 in the week ending July 19th.

The IEA's executive director, Fatih Birol, does not expect oil prices to increase significantly because demand is slowing and there is an oversupply in the global crude markets. He said a substantial amount of oil is coming from the US, about 1.8 million bpd, plus oil from Iraq, Brazil and Libya. Under normal circumstances, he said, he does not expect a large increase in crude oil prices. However, he warned serious political tensions could yet impact market dynamics.

Industry sources stated that US ethanol plants are expected to sharply cut their production in the weeks ahead as steep Midwest corn prices and the US-China trade war have led to weak margins and an oversupply.

Iran on Friday denied US President Donald Trump's assertion that the US Navy destroyed one of Iran's drones, saying all of its unmanned planes are accounted for. President Trump said the drone had flown to within 1,000 yards of the US warship Boxer in a "provocative and hostile action" and had ignored several calls to stand down. A US official, speaking on condition of anonymity, said the drone on Thursday was brought down through electronic jamming. Meanwhile, Iran's Revolutionary Guards said in a statement they would release images to disprove President Trump's contention that the US Navy destroyed a drone. Also, Iran's Deputy Foreign Minister, Abbas Araqchi, denied that Iran had lost a drone in the Strait of Hormuz after the US said that a US Navy ship had destroyed an Iranian drone. Separately, Germany's Chancellor, Angela Merkel, said that she was concerned about the situation in the Gulf.

IIR Energy reported that US oil refiners are expected to shut in 754,000 bpd of capacity in the week ending July 19th, cutting available refining capacity by 453,000 bpd from the previous week. Offline capacity is expected to fall to 341,000 bpd in the week ending July 26th and fall further to 255,000 bpd in the week ending August 2nd.

Euroilstock reported that European refineries produced 10.196 million bpd of oil products in June, down 1.2% on the month and 5.7% on the year. European refinery crude intake fell by 2% on the month and by 6% on the year to 9.641 million bpd.

Early Market Call - as of 9:05 AM EDT

WTI - Aug \$55.79, up 23 cents

RBOB - Aug \$1.8309, odnw 92 points

HO - Aug \$1.8943, up 49 points

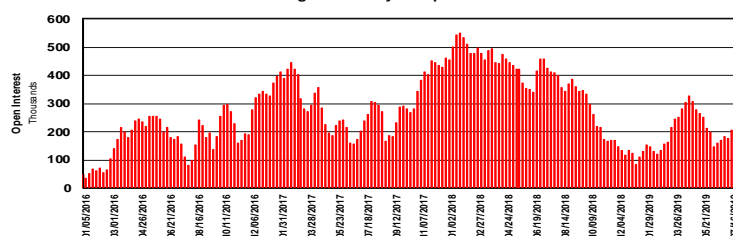
All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-19	1.8896	0.0271	-0.0905
Sep-19	1.8967	0.0268	-0.09
Oct-19	1.903	0.0266	-0.0902
Nov-19	1.907	0.0258	-0.0915
Dec-19	1.9083	0.0251	-0.0921
Jan-20	1.9087	0.0248	-0.0919
Feb-20	1.9041	0.0243	-0.0911
Mar-20	1.895	0.0237	-0.0909
Apr-20	1.8816	0.0232	-0.0899
May-20	1.8729	0.0233	-0.0881
Jun-20	1.8673	0.0235	-0.0868
Jul-20	1.8682	0.0239	-0.0854
Aug-20	1.8705	0.0243	-0.084
Sep-20	1.8733	0.0246	-0.083
Oct-20	1.8755	0.0248	-0.0818
Nov-20	1.8771	0.0251	-0.0805
Dec-20	1.8764	0.0252	-0.0798

Sprague HeatCurve Oct 2019-Apr 2020 \$1.9027

Other Front Month NYMEX	Close	Change
Crude - WTI	\$55.7600	\$0.3400
Crude - Brent	\$62.4700	\$0.5400
Natural Gas	\$2.2510	-\$0.0360
Gasoline	\$1.8405	\$0.0063

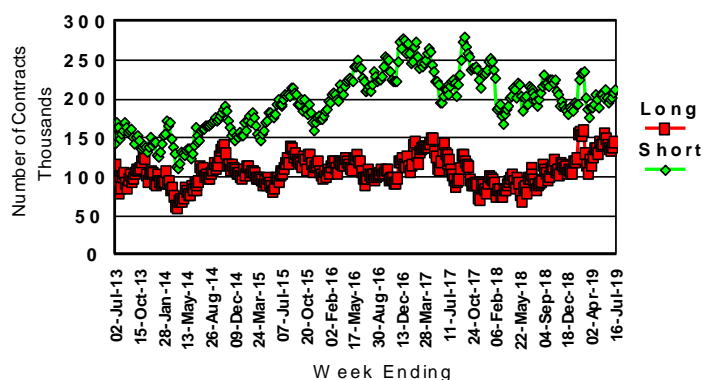
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending July 16, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

