

Market Commentary

All NYMEX | Prior Settlements

Recap: WTI experienced another failed attempt to trade above \$60.00 a barrel on Thursday, as prices retreated from multi-week highs. Eyes were on trade talks taking place at the G-20 summit, which overshadowed tensions between the U.S. and Iran. In early trading, August WTI fell 77 cents or 1.2%, to trade at \$58.61 a barrel, while August Brent slipped to a low of \$65.63 a barrel, down 86 cents, or 1.2%. Oil prices rebounded, and hovered around unchanged for most of the afternoon session. August WTI settled at \$59.43 a barrel, up 5 cents, or 0.08%, while August Brent added 6 cents, or 0.09%, to settle at \$66.55 a barrel. July RBOB fell 1.2% to \$1.947 a gallon. July heating oil declined by 1% to \$1.953 a gallon.

Technical Analysis: August WTI continued to fail at \$59.50 and \$59.95, the 50 and 200-day moving averages respectively, as prices pull back. Technical traders will be looking for a cross of the shorter term average over the longer term as a supportive move for this market. Slow stochastics are set high in over bought territory but are not showing signs of relenting. We would look for continued attempts to take out \$60.00, with failed attempts followed by pullbacks. Above \$60.00, additional resistance is set at \$61.30. Support is set at \$55.49 and below that at \$53.50.

Fundamental News: Diplomats stated that Iran is on course to breach a threshold in its nuclear agreement with world powers within days by accumulating more enriched uranium than permitted, although it had not done so yet. World leaders are trying to pull the US and Iran back from the brink, warning that a mistake on either side could lead to war. France said it would ask US President Donald Trump to suspend some sanctions on Iran to allow negotiations to defuse the crisis. France's President, Emmanuel Macron, said he had two priorities: de-escalating military tension and keeping Iran from violating the accord. He said he told his Iranian counterpart, Hassan Rouhani, that leaving the 2015 nuclear deal, or any signals that suggested Iran would break the agreement, would be a mistake. The Trump administration said its ultimate goal is to force Iran back to the table for negotiations. Meanwhile, Iran has stated that it cannot negotiate further unless the US observes the existing agreement and lifts sanctions.

Iran warned the US against violating its borders, with parliament speaker, Ali Larijani, threatening a stronger reaction.

Kuwait's Oil Minister, Khaled al-Fadhel, said he supported an extension of the deal between OPEC and non-OPEC countries to cut output until the end of 2019. He said Kuwait was committed to reducing its production according to the agreement.

Iraq's Oil Minister, Thamer Ghadhban, said OPEC is likely to roll over a deal on cutting supplies at a meeting next week and keep cuts at least at the same level as those in place since January 1st.

Russia's Energy Minister, Alexander Novak, said he believed OPEC and its allies would reach an agreement when they discuss their global oil output deal at a meeting in Vienna. He said Russia's Energy Ministry is still in talks with Russian oil companies about the output deal, adding that he planned to meet Saudi Arabia's Energy Minister, Khalid Al-Falih, at the G20 meeting in Japan later this week.

Loadings of the UK's Brent Blend crude oil stream will increase in August to six cargoes or 116,000 bpd from five cargoes or 97,000 bpd in July.

The Norwegian crude oil stream, Ekofisk, will load 13 cargoes or 252,000 bpd in August, down from 15 cargoes or 290,000 bpd in July.

Early Market Call - as of 11:15 AM EDT

WTI - Aug \$59.27, down 16 cents

RBOB - July \$1.9433, down 1.58 cents

HO - July \$1.9485, down 75 points

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-19	1.9525	-0.0188	0.0682
Aug-19	1.9612	-0.017	0.0698
Sep-19	1.969	-0.0162	0.0683
Oct-19	1.9759	-0.0148	0.0664
Nov-19	1.981	-0.0138	0.0645
Dec-19	1.9836	-0.0127	0.0615
Jan-20	1.9846	-0.012	0.0588
Feb-20	1.9797	-0.0111	0.0568
Mar-20	1.9704	-0.0103	0.0546
Apr-20	1.9552	-0.0099	0.052
May-20	1.9453	-0.0095	0.0512
Jun-20	1.9393	-0.0091	0.0505
Jul-20	1.9395	-0.0088	0.0497
Aug-20	1.9408	-0.0084	0.0491
Sep-20	1.9425	-0.0079	0.0484
Oct-20	1.9431	-0.0075	0.0476
Nov-20	1.9439	-0.0073	0.0471

Sprague HeatCurve Oct 2019-Apr 2020			\$1.9777
Other Front Month NYMEX		Close	Change
Crude - WTI	Aug Brent-	\$59.4300	\$0.0500
Crude - Brent	WTI Spread	\$66.5500	\$0.0600
Natural Gas	\$7.12	\$2.3240	\$0.0560
Gasoline		\$1.9466	-\$0.0238

EIA Working Gas Storage Report

	21-Jun-19	14-Jun-19	Change	Year Ago
East	499	472	27	427
Midwest	538	503	35	422
Mountain	127	118	9	132
Pacific	245	234	11	250
South Central	893	875	18	834
Salt	263	264	-1	253
Nonsalt	630	612	18	581
Total	2,301	2,203	98	2,065

Sprague HeatCurve October-April

ICE August Brent-WTI Spread

