

Market Commentary

Recap: The oil market on Monday retraced some of its previous gains on profit-taking after the market posted its sixth consecutive weekly gain on Friday. Last week, the market closed out at a high following the news of Saudi Arabia and Russia continuing their voluntary cuts into October. In overnight trading, the market breached its previous high and posted a high of \$83.30 before it sold off to a low of \$81.52 by mid-morning. The market retraced some of its losses during the remainder of the session as it held support at its previous low of \$81.51. The September WTI contract settled down 88 cents at \$81.94 and the October Brent contract settled down 90 cents at \$85.34. The product markets ended the session in mixed territory, with the heating oil market settling down 4.67 cents at \$3.0155 and the RB market settling down 2.13 cents at \$2.8044.

Technical Analysis: The oil market on Tuesday will likely trade sideways as the market positions itself ahead of the weekly petroleum stocks reports, which is expected to show slight draws in stocks following the large 17 million barrel draw in the previous week. The market is seen finding support at its low of \$81.52-\$81.51, \$80.41, \$78.69, \$78.55, \$78.29 and \$77.18. Meanwhile, resistance is seen at its high of \$83.30, \$83.53 and \$85.31.

Fundamental News: Polish pipeline operator PERN said it halted pumping through a section of the Druzhba pipeline after detecting a leak in central Poland on Saturday. PERN said there was no indication a third party had caused the leak. It said it expects flows to resume on Tuesday.

Saudi Aramco's CEO, Amin Nasser, said that the company's supplies to customers remain adequate even with recent voluntary oil production cuts by the kingdom. He said "We still have adequate supply to satisfy our customers." He also stated that despite the economic challenges, Aramco has seen positive signals that global demand remains resilient and that Chinese demand will continue to grow. He said "There is still a lot of mileage for China and the economy (to pick) up." He added that the aviation sector was at 85% compared to pre-pandemic levels, indicating room for growth.

IIR Energy reported that U.S. oil refiners are expected to shut in about 180,000 bpd of capacity in for the week ending August 11th, increasing available refining capacity by 152,000 bpd. Offline capacity is expected to increase to 185,000 bpd in the week ending August 18th.

ExxonMobil shut a heater on a coker unit at its 619,000 bpd Beaumont, Texas refinery. The heater, one of four on the 60,000 bpd coker, was shut for maintenance work.

Valero reported a process upset at its 335,000 bpd Port Arthur, Texas refinery.

Fed Governor, Michelle Bowman, said additional interest rate hikes will likely be needed in order to lower inflation to the U.S. Federal Reserve's 2% target. She said she supported the latest interest rate increase last month because inflation remains too elevated and job growth and other indications of activity show the economy has continued expanding at a "moderate pace".

Early Market Call - as of 8:30 AM EDT

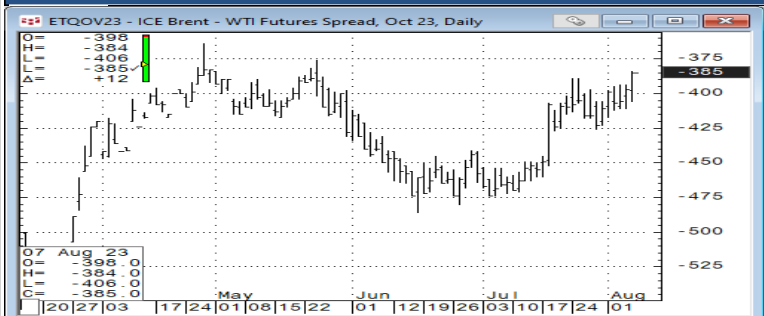
- WTI - September \$79.98, down \$1.96
- RBOB - September \$2.7440, down 6.00 cents
- HO - September \$2.9396, down 7.59 cents

All NYMEX | Prior Settlements

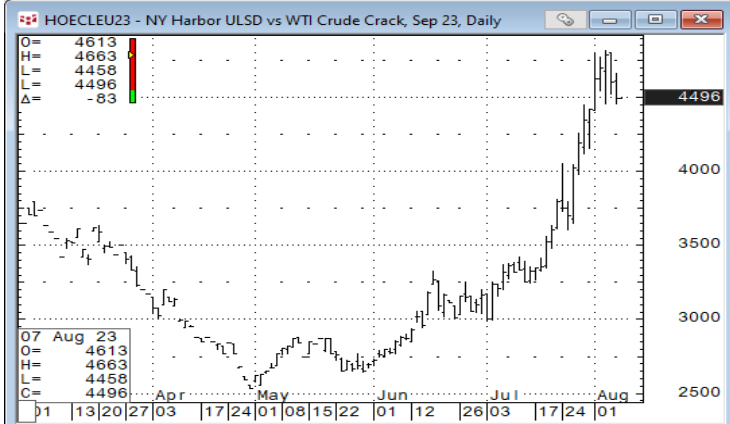
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.0155	-0.0467	0.0300
Oct-23	2.9944	-0.0429	0.0436
Nov-23	2.9495	-0.0415	0.0459
Dec-23	2.8953	-0.0387	0.0432
Jan-24	2.8599	-0.0356	0.0407
Feb-24	2.8252	-0.0328	0.0386
Mar-24	2.7828	-0.0307	0.0342
Apr-24	2.7320	-0.0292	0.0282
May-24	2.6970	-0.0285	0.0256
Jun-24	2.6707	-0.0276	0.0253
Jul-24	2.6628	-0.0247	0.0328
Aug-24	2.6598	-0.0210	0.0405
Sep-24	2.6567	-0.0169	0.0466
Oct-24	2.6480	-0.0142	0.0451
Nov-24	2.6321	-0.0133	0.0386
Dec-24	2.6128	-0.0128	0.0300
Jan-25	2.5960	-0.0128	0.0238

Sprague HeatCurve October 2023-April 2024			\$2.8564
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$3.85	\$81.4900	-\$0.7800
Crude - Brent		\$85.3400	\$0.9000
Natural Gas		\$2.7250	\$0.1480
Gasoline		\$2.8044	\$0.0213

ICE October Brent-WTI Spread



September Heating Oil Crack Spread



September RBOB Crack Spread

