

## Market Commentary

**Recap:** After a sharp move lower on Wednesday, oil prices slipped for the second straight session Thursday on escalating trade tensions between China and the U.S. After a feeble attempt on the upside, oil prices fell back below unchanged, but were unable to surpass the lows of yesterday. Modest losses were posted, with September WTI losing 13 cents, or 0.19%, to settle at \$66.81 a barrel. October Brent settled at \$72.07 a barrel, down 21 cents, or 0.29%.

September RBOB fell by almost 2 cents lower, or 1%, to settle at \$1.999 a gallon. September heating oil fell 0.4 cents, or 0.2%, to settle at \$2.1119 a gallon.

**Fundamental News:** Euroilstock reported that total stocks of crude and oil products in Europe were slightly higher on a monthly basis in July but were 3.8% lower than the same period last year at 1.099 billion barrels. European crude stocks in July fell by 0.2% on the month and by 2.5% on the year to 486.98 million barrels while gasoline stocks fell by 0.1% on the month but increased by 2.4% on the year to 114.5 million barrels and middle distillates stocks increased by 1.4% on the month but fell by 8.6% on the year to 401.55 million barrels. European fuel oil stocks in July fell by 0.8% on the month but was unchanged on the year at 66.56 million barrels while naphtha stocks were unchanged on the month but up 15.9% on the year at 29.48 million barrels. European refinery crude intake increased by 3.9% on the month but fell by 2.2% on the year to 10.67 million bpd in July.

Russia condemned a new round of US sanctions imposed on the country as draconian after news of the measures sent the rouble to two-year lows and prompted a wider asset sell-off. The US State Department on Wednesday said it would impose new sanctions by the month's end after determining that Russia had used a nerve agent against a former Russian double agent, Sergei Skripal, and his daughter, Yulia, in Britain. The new sanctions come in two tranches. The first targets US exports of sensitive national-security related goods. The second tranche, which would be activated after 90 days if Russia fails to provide reliable assurances it will no longer use chemical weapons and allow on-site inspections by the UN or other international observer group, are more serious.

Saudi Arabia's Energy Minister, Khalid al-Falih, said crude oil supplies to Canada will not be impacted by a dispute between the two countries, reassuring customers after Saudi Arabia froze new trade with Canada and ruled out mediation efforts. He said the current diplomatic crisis between Saudi Arabia and Canada will not impact Saudi Arabia's relations with its customers in Canada. Saudi Arabia, infuriated by Canada's demand last week that jailed rights activists in the country be released immediately, expelled the Canadian ambassador on Sunday, blocked imports of Canadian grain and ended state-backed educational and medical programs in Canada.

Chinese refiners are unlikely to increase purchases of US oil even after the Ministry of Commerce removed crude from its list of US good slated for a 25% tariff effective August 23<sup>rd</sup>.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending August 9<sup>th</sup> increased by 4.83% on the week and by 13.95% on the year to 1.021 million tons. Gasoil stocks increased by 3.66% on the week but fell by 1.3% on the year to 2.578 million tons while fuel oil stocks fell by 11.67% on the week but increased by 31.66% on the year to 1.052 million tons.

### Early Market Call - as of 8:45 AM EDT

WTI - Sep \$67.26, up 46 cents

RBOB - Sep \$2.0217, up 2.14 cents

HO - Sep \$2.1268, up 1.48 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-18	\$2.1119	-\$0.0038	-\$0.0199
Oct-18	\$2.1165	-\$0.0042	-\$0.0200
Nov-18	\$2.1191	-\$0.0047	-\$0.0205
Dec-18	\$2.1207	-\$0.0054	-\$0.0213
Jan-19	\$2.1241	-\$0.0057	-\$0.0219
Feb-19	\$2.1206	-\$0.0059	-\$0.0226
Mar-19	\$2.1115	-\$0.0061	-\$0.0232
Apr-19	\$2.0979	-\$0.0064	-\$0.0227
May-19	\$2.0925	-\$0.0067	-\$0.0221
Jun-19	\$2.0885	-\$0.0072	-\$0.0221
Jul-19	\$2.0918	-\$0.0078	-\$0.0236
Aug-19	\$2.0979	-\$0.0082	-\$0.0245
Sep-19	\$2.1064	-\$0.0087	-\$0.0249
Oct-19	\$2.1135	-\$0.0091	-\$0.0262
Nov-19	\$2.1191	-\$0.0105	-\$0.0287
Dec-19	\$2.1274	-\$0.0114	-\$0.0303
Jan-20	\$2.1413	-\$0.0112	-\$0.0309

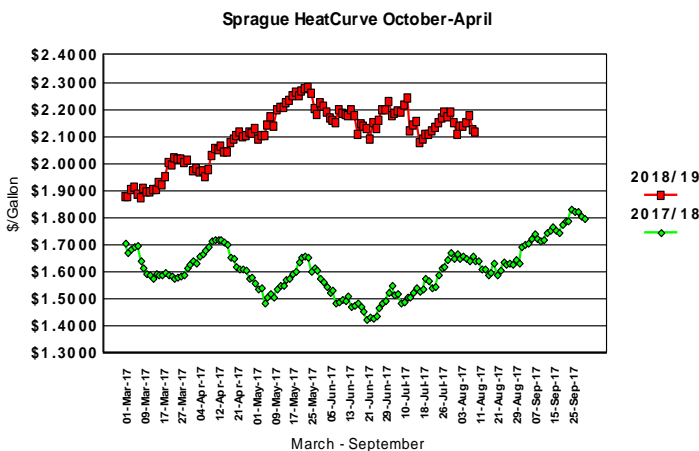
### Sprague HeatCurve Oct 2018-April 2019

Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent-	\$66.1400	-\$0.1100
Crude - Brent	WTI Spread	\$72.0700	-\$0.2100
Natural Gas	\$5.93	\$2.9550	\$0.0060
Gasoline		\$1.9999	-\$0.0196

### EIA Natural Gas Storage Report

	03-Aug-18	27-Jul-18	Change	Year Ago
East	575	552	23	670
Midwest	579	552	27	769
Mountain	148	146	2	202
Pacific	245	250	-5	290
South Central	807	808	-1	1,095
Salt	200	203	-3	291
Nonsalt	607	604	3	804
Total	2,354	2,308	46	3,025

## Sprague HeatCurve Winter 2018/19



## ICE October WTI-Brent Spread

