

Market Commentary

Recap: Oil prices reversed early gains on Friday after JPMorgan lowered its 2018 price forecast by \$3 to \$62.20 a barrel. This combined with sluggish Chinese demand and increasing U.S. output pushed July WTI below key support at \$65.50 but, traders prepping themselves ahead of the upcoming OPEC meeting, turned late session buyers. July WTI settled at \$65.74 a barrel, down 21 cents, or 0.32%, while August Brent tacked on 86 cents, or 1.11%, to settle at \$76.46 a barrel.

July RBOB gained less than 0.1% to settle at \$2.1153 a gallon, with prices trading around 1.3% lower for the week, while July heating oil lost 0.7% to \$2.1643 a gallon, down about 0.6% from a week ago.

Fundamental News: OPEC is likely to reject a request by Iran to discuss US sanctions on Iran at this month's OPEC meeting. Iran's OPEC Governor Hossein Kazempour Ardebili, asked the chairman of the OPEC board to include a sanctions debate in the agenda for the June 22nd meeting, according to a copy of a letter dated June 2nd. Last month, Iranian's Oil Minister, Bijan Zanganeh, asked OPEC to support it against new US sanctions and signaled Iran disagreed with Saudi Arabia's view on the possible need to increase global oil supplies.

Separately, Iran's OPEC Governor, Hossein Kazempour Adebili, said a US request for Saudi Arabia to pump more oil so that it could cover a fall in Iranian exports was "crazy and astonishing" and said OPEC would not heed the appeal. He said "it's crazy and astonishing to see instruction coming from Washington to Saudi to act and replace a shortfall of Iran's export due to their illegal action on Iran and Venezuela." He said OPEC would unite in opposition to the US request.

Venezuela wrote to fellow OPEC members urging them to unite against political sanctions, echoing a similar letter from Iran.

Russia's Energy Minister, Alexander Novak, will discuss the global oil output cut agreement with Saudi Arabia's Energy Minister, Khalid al-Falih, in Moscow during the soccer World Cup.

According to OPEC, the organization's overall oil export revenues increased by 28% in 2017 to \$578 billion. Its 14 members benefited from rising prices as joint output cuts with a coalition of other producers including Russia helped to clear a global oversupply. Libya's revenues showed the largest proportional increase, increasing by 61%.

Iran's Parliament Speaker, Ali Larijani, said that security in the Middle East could be threatened if Iran was further pressured by Israel and Saudi Arabia. He said Israel and Saudi Arabia are the source of chaos in the region.

IIR Energy reported that US oil refiners are expected to shut in 338,000 bpd of capacity in the week ending June 8th, increasing available refining capacity by 161,000 bpd from the previous week. IIR expects offline capacity to fall to 99,000 bpd in the week ending June 15th and to 45,000 bpd in the week ending June 22nd.

According to Bloomberg, global refinery outages reached 4.13 million bpd in the week ending June 7th.

The diesel market in northwest Europe is expected to come under increasing pressure in the coming weeks as large flows from Asia, the Middle East and the US Gulf Coast reach the region. Diesel imports from the US Gulf Coast were expected to exceed 1 million tons in June, rising from about 850,000 tons in May. Meanwhile, the gasoline exports from Europe remained relatively limited for this time of the year as demand from the US East Coast remained low. Several cargoes have been booked over the past week to go to West Africa and the Middle East.

Early Market Call - as of 8:40 AM EDT

WTI - July \$65.10, down 64 cents

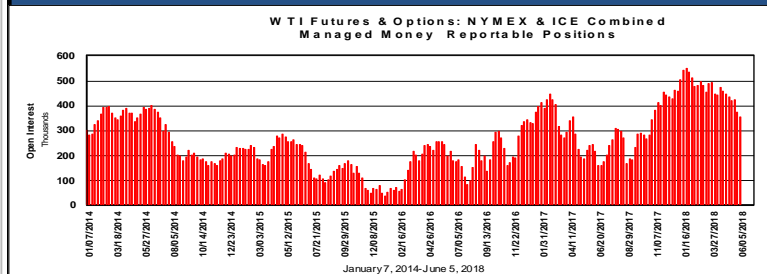
RBOB - July \$2.0929, down 2.20 cents

HO - July \$2.1533, down 1.07 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-18	\$2.1643	-\$0.0156	-\$0.0120
Aug-18	\$2.1675	-\$0.0164	-\$0.0129
Sep-18	\$2.1720	-\$0.0161	-\$0.0134
Oct-18	\$2.1768	-\$0.0156	-\$0.0125
Nov-18	\$2.1811	-\$0.0154	-\$0.0114
Dec-18	\$2.1831	-\$0.0152	-\$0.0102
Jan-19	\$2.1873	-\$0.0152	-\$0.0086
Feb-19	\$2.1882	-\$0.0147	-\$0.0068
Mar-19	\$2.1842	-\$0.0138	-\$0.0056
Apr-19	\$2.1617	-\$0.0136	-\$0.0072
May-19	\$2.1652	-\$0.0130	-\$0.0089
Jun-19	\$2.1591	-\$0.0122	-\$0.0101
Jul-19	\$2.1591	-\$0.0117	-\$0.0080
Aug-19	\$2.1617	-\$0.0116	-\$0.0065
Sep-19	\$2.1677	-\$0.0112	-\$0.0069
Oct-19	\$2.1730	-\$0.0112	-\$0.0071
Nov-19	\$2.1772	-\$0.0109	-\$0.0107

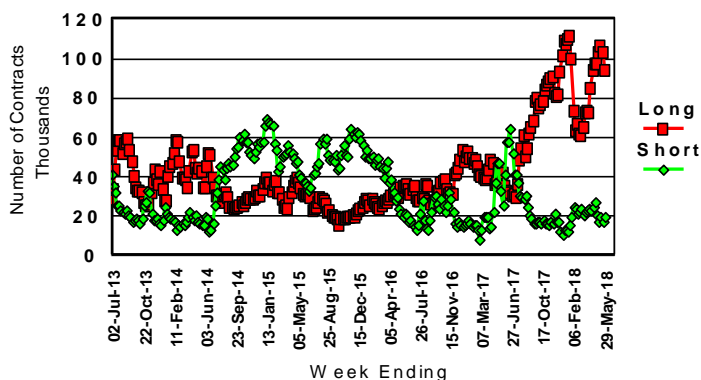
Sprague HeatCurve Oct 2018-April 2019		\$2.1835
Other Front Month NYMEX		Close
Crude - WTI	Aug Brent-WTI Spread \$10.79	\$65.6700
Crude - Brent		\$76.4600
Natural Gas		\$2.8900
Gasoline		\$2.1153
		Change
		-\$0.2200
		-\$0.8600
		-\$0.0400
		\$0.0005



Commitment of Traders Report for the Week Ending June 5, 2018

Managed Money Heat Positons

CFTC Commitment of Traders Report



Producer/Merchant Heat Positons

CFTC Commitment of Traders Report

