

Market Commentary

Recap: September WTI climbed back above \$40, in what was a choppy trading session, as prices seesawed above and below unchanged. Oil prices were also boosted by a slump in the dollar and maintained gains after Baker Hughes reported a drop of 1 in the number of active U.S. oil rigs. WTI September 1.23% rose 35 cents, or 0.9%, to close at \$40.27 a barrel, while October Brent added 27 cents, or 0.6%, to finish at \$43.52 a barrel on ICE Futures Europe. WTI logged a monthly rise of around 2.6%, while Brent rose more than 5% for July. September RBOB fell 1.6% to \$1.1711 a gallon, while September heating oil rose 1% to \$1.224 a gallon.

Technical Analysis: And the sideways trading in WTI continues, with the September contract finishing the week above \$40 a barrel. At this point, we will most likely see continued sideways trading, but if we get a push below the 50-day moving average, currently set at \$39.03, we would look for a push toward the bottom of the sideways pattern set at \$37.32. Below this, additional support is set at \$35. To the upside, resistance is set at \$40.86, the 10-day moving average and above that at \$41.74.

Fundamental News: The EIA reported that U.S. crude oil production fell in May, falling a record 2 million bpd to 10 million bpd. According to the EIA, U.S. total oil demand in May fell by 20.5% or 4.156 million bpd on the year to 16.103 million bpd. It reported that gasoline demand in May fell by 23.5% or 2.213 million bpd on the year to 7.188 million bpd, while its distillate demand fell by 12.6% or 508,000 bpd to 3.533 million bpd. U.S. crude oil production in May fell by 1.989 million bpd to 10.001 million bpd. The EIA also reported that U.S. crude oil exports fell to 2.929 million bpd in May from 3.077 million bpd in April. Total refined oil product exports fell to 1.805 million bpd in May from 2.738 million bpd in April.

Baker Hughes reported that the number of rigs drilling for oil in the US fell by 1 to 180 in the week ending July 31st.

Exxon's Senior Vice President, Neil Chapman said the oil industry likely saw the trough for prices in April. He stated that retail sales show the bottom of demand followed by encouraging signs of a recovery.

Pemex's trading arm is overhauling its fuel importing practices, which includes shifting to swapping crude oil with major partners in exchange for gasoline and other fuels to save cash.

According to Reuters, OPEC's oil output increased by over 1 million bpd in July as Saudi Arabia and other Gulf members ended their voluntary extra supply curbs on top of an OPEC-led deal, and other members made limited progress on compliance. The 13-member Organization of the Petroleum Exporting Countries produced 23.32 million bpd on average in June, up 970,000 bpd from June's revised figure, which was the lowest since 1991. In July, OPEC delivered 5.743 million bpd of the pledged reduction, equal to 94% compliance. Compliance in June was revised up to 111%. The largest increase in supply in July came from Saudi Arabia, which produced 8.4 million bpd, up 850,000 bpd from June and close to its quota.

IIR Energy reported that U.S. oil refiners are expected to shut in 4 million bpd of capacity in the week ending July 31st, decreasing available refining capacity by 74,000 bpd from the previous week.

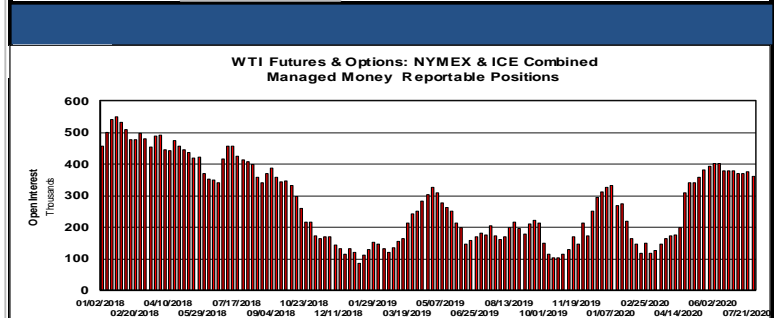
Early Market Call - as of 9:45 AM EDT

WTI - Sep \$40.27, down 2 cents
 RBOB - Aug \$1.1862, up 1.61 cents
 HO - Aug \$1.2323, up 0.82 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-20	1.2171	0.0052	0.0392
Sep-20	1.2240	0.0037	0.0398
Oct-20	1.2391	0.0035	0.0372
Nov-20	1.2575	0.0035	0.0328
Dec-20	1.2754	0.0038	0.0282
Jan-21	1.2922	0.0043	0.0248
Feb-21	1.3046	0.0048	0.0224
Mar-21	1.3121	0.0054	0.0200
Apr-21	1.3148	0.0060	0.0181
May-21	1.3210	0.0068	0.0159
Jun-21	1.3292	0.0070	0.0138
Jul-21	1.3430	0.0070	0.0128
Aug-21	1.3560	0.0071	0.0122
Sep-21	1.3679	0.0071	0.0111
Oct-21	1.3787	0.0068	0.0104
Nov-21	1.3885	0.0063	0.0105
Dec-21	1.3964	0.0058	0.0106

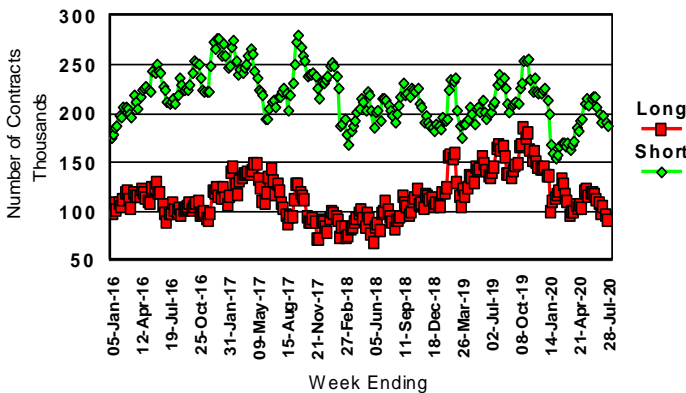
Sprague Heat Weighted Strip October -April 20/2021		\$1.2888
	Close	Change
Crude - WTI	\$40.2700	\$0.3500
Crude - Brent	\$43.3100	\$0.3700
Natural Gas	\$1.7990	-\$0.0030
Gasoline	\$1.1871	-\$0.0333



Commitment of Traders Report for the Week Ending July 28, 2020

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

