

Market Commentary

Recap: On Monday, the oil market rallied over 5%, as the U.S. dollar weakened and the strength in the equities markets lent support to the oil complex following a seven-day losing streak. The oil market traded higher in tandem with the equities markets as investor concerns that the Federal Reserve would soon begin changing its accommodative monetary stance faded. The oil market breached Friday's low of \$61.82 and posted a low of \$61.74 but quickly bounced off that level and retraced its recent losses. The market retraced almost 38% of its move from a high of \$73.52 to its low of \$61.74, as it rallied over \$3.60 to a high of \$66.00 by mid-morning. The market later settled in a sideways trading range during the remainder of the session. The October WTI contract settled up \$3.50 or 5.63% at \$65.64, while the Brent contract settled up \$3.57 or 5.48% at \$68.75. The product markets settled sharply higher, with the heating oil market settling up 9.69 cents at \$2.0051 and the RBOB contract settling up 9.96 cents at \$2.1232.

Technical Analysis: While a fall in the U.S. dollar provided the market some support, market sentiment is expected to remain bearish, with increasing concerns over slower global fuel demand. China has imposed new restrictions, which is impacting shipping and global supply chains and both the U.S. and China have also imposed restriction on flight capacity. The oil market is seen finding resistance at its high of \$66.00, followed by \$66.24, its 38% retracement level off a high of \$73.52 to a low of \$61.74, while more distant resistance is seen at \$67.63, its 50% retracement level and \$69.02, its 62% retracement level. Meanwhile, support is seen at \$65.00, \$63.76, followed by its low of \$61.74 and \$60.49, basis a trendline.

Fundamental News: The U.S. Department of Energy said it would sell up to 20 million barrels of crude from the emergency oil reserve to comply with legislation passed in recent years. It said up to 8 million barrels will be offered from the Strategic Petroleum Reserve's Bryan Mound, Big Hill and West Hackberry sites, while 1 million barrels will be offered from Bayou Choctaw. The added supplies from the sale are expected to weigh on sour crude grades in the U.S. Gulf Coast. Mars crude, the main sour crude sold in the U.S. Gulf Coast market, is already at the lowest levels in about a month on oversupply and slow global demand.

Tropical Storm Henri is expected to create some minor gasoline shortages amid higher U.S. Atlantic Coast demand, low gasoline inventories and planned refinery work. Henri made landfall as a tropical storm near Westerly, Rhode Island on Sunday after weakening from a Category 1 hurricane. However, as a precaution, the U.S. Coast Guard began closing U.S. Atlantic Coast ports prior to the storm's arrival. The closures from New York Harbor north to Massachusetts is expected to slow some waterborne shipments of gasoline and diesel supply to regional terminals. Meanwhile, gasoline demand increased over the weekend amid mandatory evacuation orders for low-lying areas. ExxonMobil issued allocation orders for some customers in the affected areas. Also, while no-storm related refinery disruption was reported, regional supply of gasoline and diesel is constrained by refinery maintenance. Market sources said planned work was underway at PBF's 182,200 bpd Delaware City, Delaware refinery.

According to bills of lading and ship-tracking data compiled by Bloomberg, weekly U.S. imports of gasoline from Europe increased in the seven days ending August 19th to 212,000 bpd from 120,000 bpd in the previous week.

Vortexa Statistics reported that the amount of crude oil held around the world on tankers than have been stationary for at least 7 days fell to 94.88 million barrels of August 20th, down 4.6% from 99.42 million barrels in the week ending August 13th.

Early Market Call - as of 8:25 AM EDT

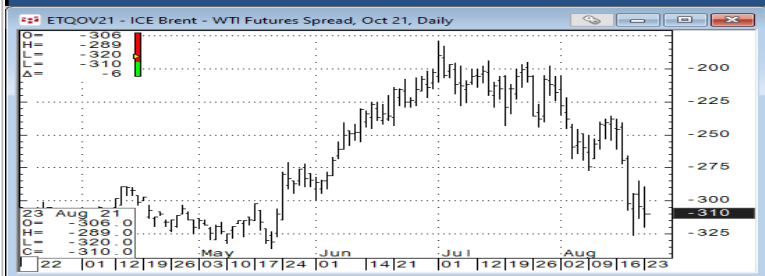
WTI - Oct \$66.72, up \$1.08
 RBOB - Sep \$2.1551, up 3.13 cents
 HO - Sep \$2.0285, up 2.37 cents

All NYMEX | Prior Settlements

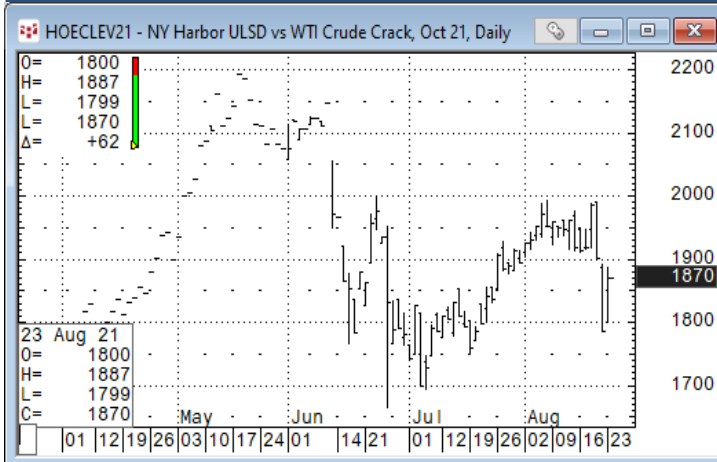
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-21	2.0051	0.0969	-0.0432
Oct-21	2.0082	0.0982	-0.0429
Nov-21	2.0069	0.0972	-0.0448
Dec-21	2.0035	0.0963	-0.0463
Jan-22	1.9993	0.0951	-0.0484
Feb-22	1.9913	0.094	-0.051
Mar-22	1.9806	0.0931	-0.0523
Apr-22	1.9651	0.0915	-0.0543
May-22	1.9554	0.0902	-0.0556
Jun-22	1.9487	0.0891	-0.0562
Jul-22	1.9486	0.088	-0.0567
Aug-22	1.9492	0.0874	-0.0569
Sep-22	1.9504	0.087	-0.0557
Oct-22	1.9524	0.0865	-0.0563
Nov-22	1.9534	0.086	-0.0562
Dec-22	1.9538	0.0861	-0.0553
Jan-23	1.9537	0.0855	-0.0547

Sprague HeatCurve October 2021-April 2022		\$1.9941
	Close	Change
Crude - WTI	\$65.6400	\$3.5000
Crude - Brent	\$68.7500	\$3.5700
Natural Gas	\$3.9450	\$0.0940
Gasoline	\$2.1232	\$0.0996

ICE October Brent-WTI Spread



October Heating Oil Crack Spread



October RBOB Crack Spread

