

## Market Commentary

**Recap:** Crude oil futures jumped on Friday as traders squared positions ahead of the long U.S. Labor Day weekend and Monday's OPEC+ meeting at which members are expected to discuss production cuts. Oil futures also extended gains after the Group of Seven finance ministers agreed to a plan to cap prices on Russian crude exports, an effort to punish Moscow for the invasion of Ukraine. However, the advancement in prices was kept at bay by concerns over rising U.S. interest rates, weak global growth and China's fresh COVID-19 restrictions; and just prior to settlement period, gains were pared on reports of a positive response from Iran to U.S. proposals aimed at reviving the 2015 nuclear deal. WTI for October delivery added 26 cents, or 0.30% on Friday but for the week this spot contract lost \$6.19 per barrel, or 6.65% to \$86.87. Brent Crude for November delivery lost \$5.99 per barrel, or 6.05% to \$93.02 this week and added 66.00 cents or 0.71% for the session. RBOB for October delivery lost 21.38 cents per gallon, or 7.99% to \$2.4636 this week, but was up 7.83 cents, or 3.28% on the day. October heating oil lost 35.72 cents per gallon or 9.08% to \$3.5780 on the week, but added 1.68 cents, or 0.47% on the day.

**Technical Analysis:** Despite a noisy week of oil futures, prices remained stuck in the same range for over a month. Traders continued to grapple with supply/demand issues, the war in Ukraine and global economic woes. As we come into next week's trading session, focus will be on Tuesday's meeting between OPEC and its allies and their plans for forward production. Friday's move to the upside may have been a bit exaggerated, as volume was light due to the U.S. Labor Day holiday. The up move resulted in a double top in the October contract up in the 89.65 area. The long awaited cross of the 50-day moving average below the 200-day moving average finally occurred and as a result, we should see a technical move to the downside. Support is set at \$85 and below that at \$80.00. On the upside, resistance is set at \$89.65 and above that at \$91.60.

**Fundamental News:** The European Commission said it had received a response from Iran in the ongoing talks over a nuclear non-proliferation deal and had distributed it to all other participants in the negotiations. The commission said the other parties, including Britain, China, France, Germany, Russia and the United States, which is no longer a party, were all studying this response and would together discuss the way ahead.

The Group of Seven finance ministers plan to implement a price cap on Russian-origin crude oil and petroleum products, according to a joint statement. The price cap is aimed at cutting revenues for Moscow's war in Ukraine but keeping crude flowing to avoid price spikes.

Three OPEC+ sources said OPEC+ is likely to keep oil output quotas unchanged for October at a meeting on Monday, although some sources would not rule out a production cut to support prices that have fallen from higher levels reached earlier this year.

U.S. energy firms this week cut the number of oil and natural gas rigs operating for the fourth time in five weeks. Baker Hughes reported that the U.S. oil and gas rig count fell by 5 to 760 in the week ending September 2<sup>nd</sup>. It reported that the number of rigs searching for oil fell by 9 on the week to 596 and the number of rigs searching for natural gas increased by 4 on the week to 162.

IIR Energy reported that U.S. oil refiners are expected to shut in 715,000 bpd of capacity in the week ending September 2<sup>nd</sup>, cutting available refining capacity by 54,000 bpd.

BP Plc said all five of its boilers are back online and restored steam to its 435,000 bpd Whiting refinery. It said all repairs have been completed as planned and it is continuing to work around the clock to bring the plant back to normal operations.

**Early Market Call - as of 8:15 AM EDT**

WTI - October \$87.27, up 40 cents

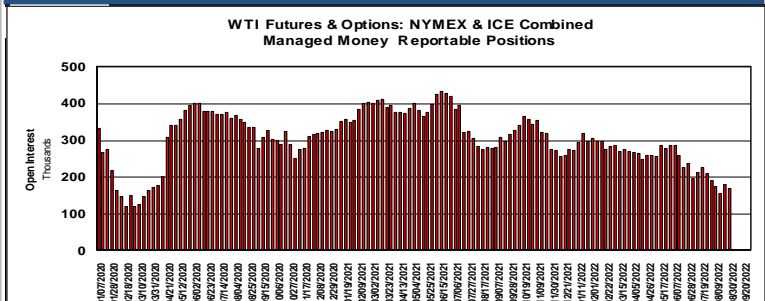
RBOB - October \$2.4727, up 91 points

HO - October \$3.6282, up 6.02 cents

## All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-22	3.578	0.0168	-0.3572
Nov-22	3.5112	0.0128	-0.3427
Dec-22	3.4414	0.0072	-0.3275
Jan-23	3.3754	0.0018	-0.3104
Feb-23	3.301	-0.0032	-0.2918
Mar-23	3.2151	-0.0077	-0.2731
Apr-23	3.1207	-0.0123	-0.2578
May-23	3.0457	-0.0143	-0.2423
Jun-23	2.9904	-0.0145	-0.2253
Jul-23	2.9568	-0.0136	-0.2084
Aug-23	2.9291	-0.0128	-0.1907
Sep-23	2.903	-0.0121	-0.1775
Oct-23	2.8797	-0.0115	-0.168
Nov-23	2.8583	-0.0128	-0.1609
Dec-23	2.8374	-0.0145	-0.1546
Jan-24	2.8159	-0.0145	-0.1483
Feb-24	2.8029	-0.0147	-0.1473

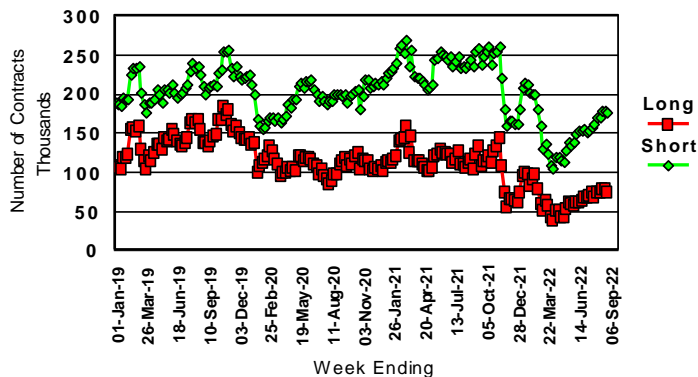
Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	Nov Brent- WTI Spread \$6.54	\$86.4800	\$0.2600
Crude - Brent		\$93.0200	\$0.6600
Natural Gas		\$8.7860	-\$0.4760
Gasoline		\$2.4636	\$0.0783



## Commitment of Traders Report for the Week Ending August 30, 2022

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

