

Market Commentary

Recap: The energy complex sold off sharply on Friday, led by the RBOB market, as the markets remained concerned about an economic slowdown. The oil market extended its losses of over \$7 as it traded to \$110.21 by mid-morning as concerns grow that the interest rate increases could cause a recession. Those fears helped pressure the RBOB market, which sold off more than 31 cents to a low of \$3.6432, with analysts worrying that high gasoline prices will start impacting demand for the fuel. The oil markets were also pressured as the U.S. dollar this week increased to the highest level since December 2002. The markets, which took a brief pause, later continued their sell off in afternoon trading ahead of the long Juneteenth holiday weekend, with the oil market posting a low of \$108.25, a level not seen since May 19th. The July WTI contract, which posted an outside trading day, settled down \$8.03 or 6.83% at \$109.56 and the August Brent contract settled down \$6.69 or 5.58% at \$113.12. The product markets tumbled, with the heating oil market settling down 23.15 cents at \$4.3398 and the RBOB market settling down 16.28 cents at \$3.7930.

Technical Analysis: The WTI market, which saw its first weekly decline in eight weeks, will likely retrace some of its sharp losses before it continues to trend lower after the market settled below the 50-day moving average. The market is seen finding support at its low of \$108.25, \$109.73, its 62% retracement level off a low of \$98.20 and a high of \$123.68, and \$106.99, basis a trendline. More distant support is seen at \$105.13, \$102.66 and \$98.20. Meanwhile, resistance is seen at \$114.14, \$115.97, \$117.79, its 38%, 50% and 62% retracement levels off its low of \$108.25 to a high of \$123.68, respectively, followed by its today's high of \$118.97 and \$119.61.

Fundamental News: U.S. President Joe Biden called on China and other major economies to redouble their efforts to combat climate change and improve energy security. At the third virtual gathering of the Major Economies Forum under his presidency, President Biden urged countries to accelerate moves to cut methane emissions, adopt ambitious targets for zero-emissions vehicles and work to clean up global shipping.

J.P. Morgan forecast global oil demand increasing by 3.7 million bpd between May and the end of the year, with 1.7 million bpd coming from China and 1.9 million bpd coming from APAC countries.

Russian Deputy Prime Minister, Alexander Novak, said the global oil market continues to show signs of "turbulence". He blamed the instability on uncertainties over oil production recovery in Libya, Iran and Venezuela and a lack of energy infrastructure. Separately, Russia's Deputy Prime Minister, said oil refining in Russia may decrease to 250-260 million tons in 2022 or to 5-5.2 million bpd. On Thursday, he said he expected Russia's annual oil production for 2022 would be about 500 million tons, down from 524 million tons last year.

Separately, Russia's Deputy Finance Minister, Alexei Sazanov, said the idea of cutting oil production in Russia to further increase prices has risks and would require calculation. The UAE's IAEA envoy Hamad Al Kaabi said the UAE hopes Iran will work with the IAEA to provide reassurances to the international community and the region about Iran's nuclear program.

IIR Energy reported that U.S. oil refiners are expected to shut in 510,000 bpd of capacity in the week ending June 17th, decreasing available refining capacity by 37,000 bpd. Offline capacity is expected to fall to 446,000 bpd in the week ending June 24th, and to 445,000 bpd in the week ending July 1st.

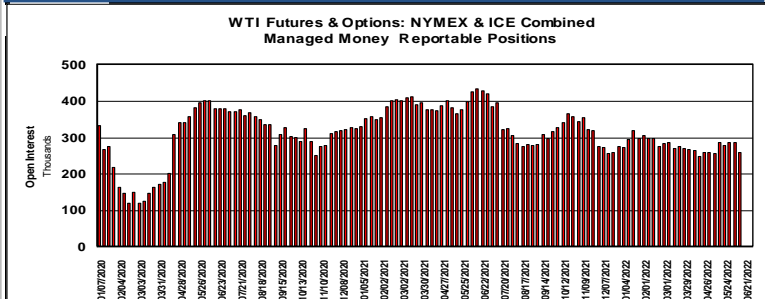
Early Market Call - as of 8:15 AM EDT

WTI - July \$111.68, up \$2.12
 RBOB - July \$3.9351, up 14.21 cents
 HO - July \$4.4705, up 13.07 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-22	4.3398	-0.2315	-0.0269
Aug-22	4.2091	-0.2090	-0.0491
Sep-22	4.1174	-0.1847	-0.1408
Oct-22	4.0298	-0.1735	-0.0651
Nov-22	3.9380	-0.1688	-0.0777
Dec-22	3.8447	-0.1659	-0.0895
Jan-23	3.7680	-0.1612	-0.0925
Feb-23	3.6815	-0.1530	-0.0963
Mar-23	3.5667	-0.1431	-0.1108
Apr-23	3.4464	-0.1362	-0.1286
May-23	3.3534	-0.1288	-0.1368
Jun-23	3.2846	-0.1214	-0.1321
Jul-23	3.2356	-0.1174	-0.1258
Aug-23	3.1876	-0.1114	-0.1201
Sep-23	3.1386	-0.1037	-0.1125
Oct-23	3.0836	-0.0989	-0.1089
Nov-23	3.0288	-0.0954	-0.1081

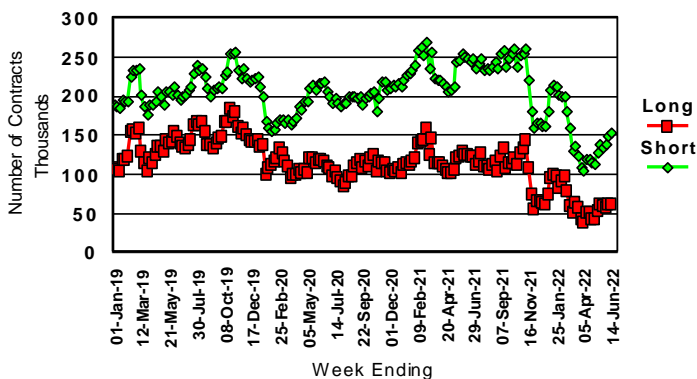
Sprague HeatCurve October 2022-April 2023		Close	Change
Crude - WTI	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;"> Aug Brent-WTI Spread \$5.13 </div>	\$107.9900	-\$7.2600
Crude - Brent		\$113.1200	-\$6.6900
Natural Gas		\$6.9440	-\$0.5200
Gasoline		\$3.7930	-\$0.1628



Commitment of Traders Report for the Week Ending June 14, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

