

Market Commentary

Recap: At one point during the trading session, oil prices fell by more than \$3 a barrel on Thursday in volatile trading as investors weighed the risk that rising U.S. interest rates could trigger a recession and cut demand for fuel. Federal Reserve chief Jerome Powell said the central bank's focus on curbing inflation was "unconditional" and the labor market was unsustainably strong. Comments stoked fears of more rate hikes and have investors trying to assess whether inflation-fighting central banks could push the world economy into recession as they raise interest rates. Showing signs of life, oil futures rebounded, to pare losses. WTI for Aug. delivery lost \$1.92 per barrel, or 1.81% to \$104.27. Front Month ICE Brent Crude for Aug. delivery lost \$1.69 per barrel, or 1.51% to \$110.05. July RBOB lost 6.85 cents per gallon, or 1.79% to \$3.7656, snapping a two session winning streak. ULSD for July delivery lost 6.67 cents per gallon, or 1.51% to \$4.3379 also snapping a two session winning streak.

Market Analysis: For the second straight trading session, WTI settled below the lower line of the ascending channel that had formed within the long standing consolidation pattern. This caught the attention of technical traders, who have been keeping an eye on this pattern. At this point in time, we would look for continued downside pressure, with WTI reaching toward the \$100 level. Below \$100, additional support is found at \$98.20, \$95 and \$92.93. Resistance is seen at \$105.87 and \$110.

Fundamental News: Russian Foreign Minister, Sergei Lavrov, said that Russia and Iran have been cooperating as part of international efforts to stabilize oil and gas markets. He also said that there was full agreement within the OPEC+ group of leading global oil producers on the need to safeguard Iran's interests in its activities.

U.S. oil refiners and U.S. Energy Secretary Jennifer Granholm ended their meeting on Thursday with no concrete solutions on how to lower gasoline prices but promised to continue discussions. U.S. Energy Secretary, Jennifer Granholm, expressed interest in lifting summertime fuel specifications. She also downplayed a proposal to ban or limit fuel exports as a viable short-term option. However, the industry went into the meeting seeking to convince the Biden administration not to ban U.S. fuel exports to combat record gas prices. They argue a ban will hurt allies who depend on the exports and force refiners to shut off capacity due to loss of markets. Meanwhile, a group of 25 drilling and pipeline industry groups including the American Petroleum Institute and the Independent Petroleum Association of America sent a letter to President Joe Biden on Thursday urging him to visit America's energy sources ahead of a July trip to Saudi Arabia, where the president is expected to encourage the oil-rich country to increase production.

Gunvor SA requested a waiver to allow it to deliver to the U.S. about 13 million gallons of gasoline. The vessel, called the BW Egret, is sitting offshore from the U.S. and last came from Amsterdam. It is not clear whether the U.S. Customs and Border Protection will grant the waiver request.

According to a Federal Reserve Bank of Dallas survey of energy executives, oil and gas companies are expanding activity at a "robust" pace despite supply disruptions and increasing costs. According to the quarterly report, an index of oil activity in the U.S. Southwest was the highest in six years.

Early Market Call - as of 8:40 AM EDT

WTI - August \$106.52, up \$2.25
 RBOB - July \$3.8025, up 3.69 cents
 HO - July \$4.3590, up 2.11 cents

All NYMEX | Prior Settlements

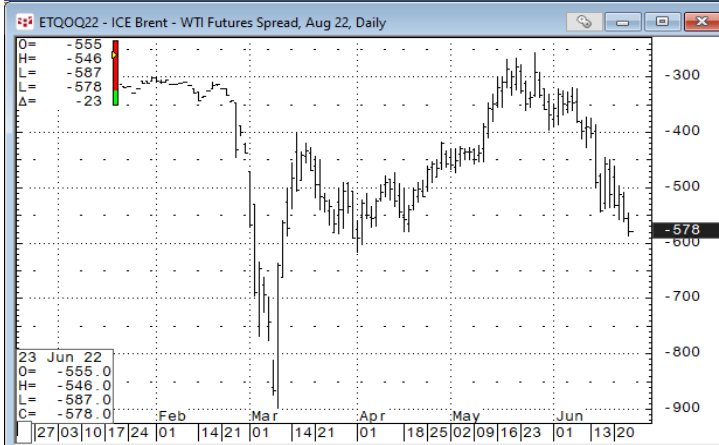
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-22	\$4.3379	-\$0.0667	-\$0.2334
Aug-22	\$4.2170	-\$0.0638	-\$0.2011
Sep-22	\$4.1136	-\$0.0673	-\$0.3045
Oct-22	\$4.0129	-\$0.0692	-\$0.1904
Nov-22	\$3.9063	-\$0.0742	-\$0.2005
Dec-22	\$3.7993	-\$0.0794	-\$0.2113
Jan-23	\$3.7070	-\$0.0807	-\$0.2222
Feb-23	\$3.6056	-\$0.0792	-\$0.2289
Mar-23	\$3.4848	-\$0.0715	-\$0.2250
Apr-23	\$3.3602	-\$0.0621	-\$0.2224
May-23	\$3.2630	-\$0.0550	-\$0.2192
Jun-23	\$3.1984	-\$0.0519	-\$0.2076
Jul-23	\$3.1638	-\$0.0477	-\$0.1892
Aug-23	\$3.1283	-\$0.0440	-\$0.1707
Sep-23	\$3.0875	-\$0.0420	-\$0.1548
Oct-23	\$3.0407	-\$0.0412	-\$0.1418
Nov-23	\$2.9945	-\$0.0411	-\$0.1297

Sprague HeatCurve October 2022-April 2023			\$3.6842
		Close	Change
Crude - WTI	Aug Brent- WTI Spread \$5.78	\$104.2700	-\$1.9200
Crude - Brent		\$110.0500	-\$1.6900
Natural Gas		\$6.2390	-\$0.6190
Gasoline		\$3.7656	-\$0.0685

EIA Working Gas Storage Report

	17-Jun-22	10-Jun-22	Change	17-Jun-21
East	430	407	23	484
Midwest	506	482	24	591
Mountain	128	122	6	168
Pacific	231	221	10	239
South Central	875	863	12	992
Salt	248	251	-3	296
Nonsalt	628	612	16	697
Total	2169	2095	74	2,474

ICE August Brent-WTI Spread



WTI Continuation Chart

