

Market Commentary

Recap: Oil prices posted sharp gains on Tuesday after U.S. President Donald Trump announced he would hold an extensive meeting with Chinese President Xi Jinping at the G20 summit to be held later this month. The potential for a trade agreement between the two countries pushed August Brent \$1.90, or 3.1% higher, to trade at \$62.83 a barrel by 11:23 am EST and July WTI up \$2.38, or 4.5%, to trade at \$54.31 a barrel. Gains were pared in pre-settlement trading, with August Brent settling at \$62.14 a barrel, up \$1.20, or 1.97 percent, while July WTI tacked on \$1.97, or 3.79%, to settle at \$53.90 a barrel. July RBOB rose 1.8% to \$1.721 a gallon. July heating oil climbed 1.6% to \$1.828 a gallon.

Technical Analysis: With the July futures contract getting ready to expire, we are shifting our focus to the August contract. While the major trend for WTI remains to the downside, a move above \$55.00 will most likely shift the trend to the upside. However, we would trade to the upside with a bit of caution. Based upon a daily spot continuation chart, August WTI settled above the 10-day moving average, which is currently set at \$52.88. As with breakout of this kind, we would feel more comfortable with a second settlement above this technical indicator, but given its aggressive settlement, we may not get this. Either way, a settlement above \$55.00 would be equally as satisfying. Above this level, additional resistance is set at \$56.60. To the downside, support is set at \$52.80, \$50.00 and \$48.40.

Fundamental News: US President, Donald Trump, told Time magazine in an interview that he would consider using military force to prevent Iran from gaining a nuclear weapon but left open the question if it involved protecting oil supplies. Unlike the tone of some Republican lawmakers who have urged a military response, President Trump said the impact of the recent attacks on Norwegian and Japanese oil tankers in the Gulf of Oman had been "very minor" so far. He said he agreed with US intelligence assessments that Iran was behind the tanker attacks, but he said Iran had been less hostile toward the US since he became president.

Iran's President, Hassan Rouhani, said Iran would not wage war against any nation. In a speech, Iran's President dismissed US efforts to isolate Iran as unsuccessful and suggested the US administration of President Donald Trump was inexperienced in international affairs. However, he said Iran did not seek conflict.

Russia's Energy Minister, Alexander Novak, said it was too early to make any decisions about the future of the global deal on oil output because of market uncertainties. He also stated that the decision on the global deal should be made by late June or early July. Russia's Energy Minister said the country was open to new dates for a meeting between OPEC and non-OPEC producers, including July 12th. An OPEC+ meeting was originally planned for June 26th.

OPEC sources stated that OPEC and non-OPEC states are discussing holding their ministerial meetings on oil output policy on July 10-12 in Vienna, a delay proposed by Iran. OPEC sources stated that the new suggestion is that the Joint Ministerial Monitoring Committee meets on July 10th followed by OPEC ministers on July 11th and the combined gathering of OPEC and non-OPEC producers on July 12th.

According to S&P Global Platts trade flow software, cFlow, US Gulf Coast middle distillate shipments to Europe for June arrival are scheduled at 1.26 million metric tons, with 910,000 metric tons bound for Northwest Europe and 350,000 metric tons for the Mediterranean.

Early Market Call - as of 8:35 AM EDT

WTI - July \$53.95, up 5 cents
RBOB - July \$1.7146, down 69 points
HO - July \$1.8237, down 39 points

All NYMEX | Prior Settlements

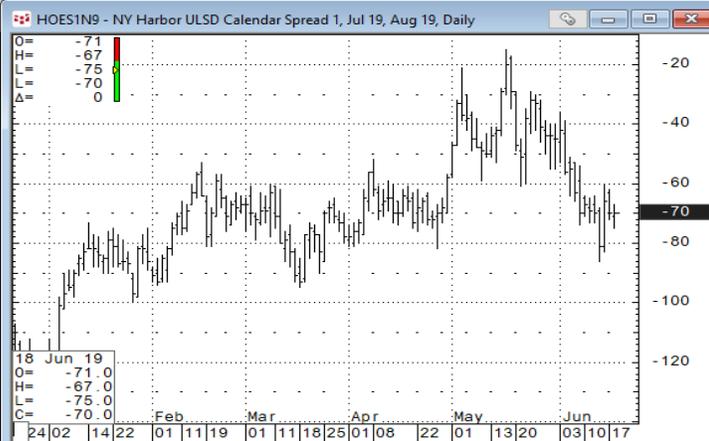
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-19	1.8278	0.0283	0.0057
Aug-19	1.8346	0.0281	0.0057
Sep-19	1.8428	0.0288	0.0062
Oct-19	1.8517	0.029	0.0057
Nov-19	1.8592	0.0288	0.0053
Dec-19	1.8647	0.0288	0.0056
Jan-20	1.8685	0.0285	0.0056
Feb-20	1.8661	0.0282	0.0053
Mar-20	1.8595	0.0279	0.0049
Apr-20	1.8476	0.0276	0.0046
May-20	1.8399	0.0275	0.0042
Jun-20	1.8359	0.0277	0.004
Jul-20	1.838	0.0276	0.0035
Aug-20	1.8411	0.0275	0.0029
Sep-20	1.8446	0.0272	0.0022
Oct-20	1.8473	0.0271	0.002
Nov-20	1.8497	0.0269	0.002

Sprague HeatCurve Oct 2019-Apr 2020		\$1.8619
Other Front Month NYMEX		Change
Crude - WTI	Aug Brent- WTI Spread	\$1.9400
Crude - Brent	\$8.03	\$1.2000
Natural Gas		-\$0.0580
Gasoline		\$0.0306

API Weekly Report for the Week Ending June 14, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 812,000 barrels	Down 1.1/2 million barrels
Cushing, OK Crude Stocks	Up 519,000 barrels	Up 27,000 barrels
Gasoline Stocks	Up 1.5 million barrels	Up 1 million barrels
Distillate Stocks	Down 50,000 barrels	Up 1 million barrels
Refinery Runs	Up 154,000 bpd	Up 0.2% at 93.4%

NYMEX Heating Oil July-August Spread



NYMEX RBOB July-August Spread

