

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures rose for the fourth straight session, with Brent tackling the \$76 a barrel level for the first time since late 2018, after government data showed U.S. crude oil inventories falling 7.6 million barrels (excluding SPR oil). WTI topped \$74 a barrel, for the first time since October 2018. The drop in inventories was the fifth weekly decline in a row. On the first full session as a front-month contract, West Texas Intermediate crude for August delivery rose 23 cents, or 0.3%, to settle at \$73.08 a barrel. August Brent crude added 38 cents, or 0.5%, at \$75.19 a barrel. September Brent, the most actively traded contract, climbed 42 cents, or 0.6%, at \$74.50 a barrel. Petroleum products also rose, with July RBOB tacking on 1.9%, to settle at \$2.27 a gallon and July heating oil adding 0.4%, to close at \$2.16 a gallon.

Technical Analysis: Bulls remain in control of the oil markets, as supply of crude oil continues to tighten after the coronavirus pandemic. Global demand is set to rise further in the second half of the year, though OPEC+ also faces the prospect of rising Iranian supply if talks with the world powers lead to a revival of Tehran's 2015 nuclear deal. Movement in the U.S. dollar has also contributed to the rise in oil prices, making crude oil less expensive for buyers holding other currencies. The chain of U.S. crude oil declines is a reflection of the strength of the U.S. economy, while at the same time, indicates a lack of production. This is indicative of a supply squeeze, further supporting this market. We are still looking for this market to test the \$75 level, with a successful break opening up the opportunity of running up toward \$78.33. The \$70 remains a key level of support, with additional support set below that at \$67.50.

Fundamental News: ABN Amro said its year-end estimate for Brent oil was increased from \$60/barrel to \$65/barrel. Its 2021 Brent annual average view is at \$66/barrel, up from a previous forecast of \$62/barrel.

Goldman Sachs sees the oil market getting "very tight" over the coming months. Goldman Sachs' global head of commodities research, Jeff Currie, said the oil market faces significant upside risk over the next few months amid increasing driving season demand and limited short-term supply growth potential. He said the market is really tight between now and Labor Day and reaffirmed the bank's \$80/barrel third quarter average price forecast.

JBC Energy said European refiners will increase its crude throughput in June and July, increasing the region's imports. It said crude oil imports into Europe will increase into July, with the recovery in jet fuel demand supporting middle distillate margins. JBC also stated that it expected demand for jet/kero to increase in June to more than 6 million bpd for the first time since the onset of the pandemic. It is expected to increase to 6.7 million bpd by August, still well below pre-pandemic levels.

Iran said that the U.S. had agreed to remove all sanctions on Iran's oil and shipping, and take some senior figures off a blacklist, at talks to revive Tehran's 2015 nuclear deal with global powers which are now on a pause. The remarks, by outgoing President Hassan Rouhani's chief of staff, were consistent with previous assertions by officials in Rouhani's camp that Washington is prepared to make major concessions at the talks, under way since April in Vienna. Separately, Iran's Presidential chief of staff, Mahmoud Vaezi, said Iran's Supreme National Security Council will decide whether to extend its monitoring deal with the International Atomic Energy Agency after its expiry on June 24th.

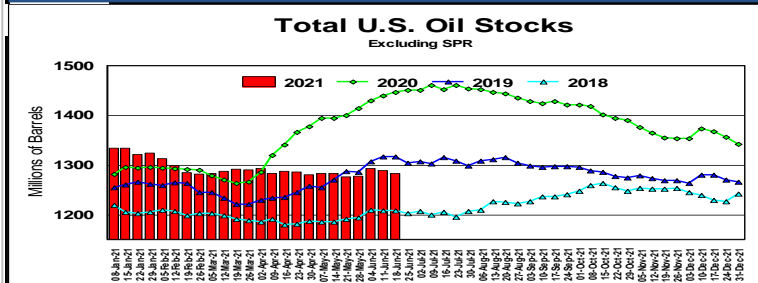
Germany's Foreign Minister, Heiko Maas, said Iran and world powers have been making progress in talks to revive their 2015 nuclear accord but still have to overcome major hurdles.

Early Market Call - as of 8:05 AM EDT

WTI - July \$72.73, down 35 cents
 RBOB - July \$2.2492, down 1.77 cents
 HO - July \$2.1377, down 2.17 cents

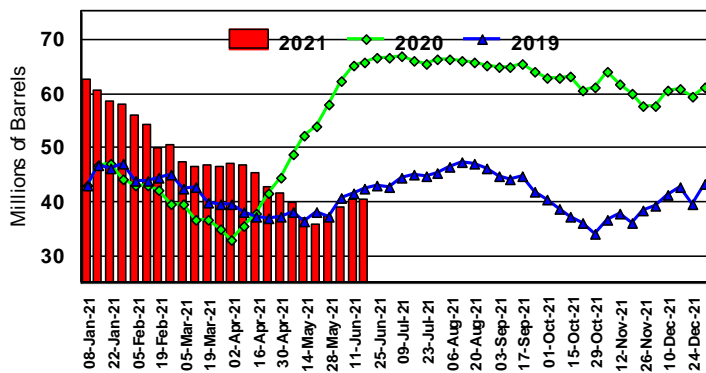
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-21	2.1594	0.0084	0.0560
Aug-21	2.1624	0.0080	0.0567
Sep-21	2.1653	0.0084	0.0567
Oct-21	2.1663	0.0087	0.0563
Nov-21	2.1658	0.0092	0.0564
Dec-21	2.1642	0.0095	0.0570
Jan-22	2.1616	0.0098	0.0574
Feb-22	2.1554	0.0098	0.0571
Mar-22	2.1429	0.0097	0.0557
Apr-22	2.1257	0.0096	0.0548
May-22	2.1121	0.0094	0.0535
Jun-22	2.1017	0.0095	0.0530
Jul-22	2.0983	0.0094	0.0522
Aug-22	2.0960	0.0091	0.0516
Sep-22	2.0942	0.0088	0.0498
Oct-22	2.0928	0.0088	0.0508
Nov-22	2.0914	0.0088	0.0504

Sprague HeatCurve October 2021-April 2022		\$2.1557
	Close	Change
Crude - WTI	\$73.0800	\$0.2300
Crude - Brent	\$75.1900	\$0.3800
Natural Gas	\$3.3330	\$0.0750
Gasoline	\$2.2669	\$0.0426



Weekly EIA Petroleum Status Report for the Week Ending June 18, 2020

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 7.614 million barrels
 Cushing, OK Crude Stocks Down 1.833 million barrels
Gasoline Stocks Down 2.93 million barrels
Distillate Stocks Up 1.754 million barrels
Refinery % Operated 92.2%, Down 0.4%

PADD #1

	Week Ending June 18, 2021	Week Ending June 11, 2021	Week Ending June 19, 2020
Distillate Stocks (in million bbls)	40.4	40.5	66.4
New England	7.7	6.9	13.2
Central Atlantic	20.0	20.4	38.4
Total PADD #1	40.4	40.5	66.4
Distillate Imports (thousands b/d)	256	301	48