

Market Commentary

Recap: The crude oil market retraced some of its previous gains on Wednesday and posted an inside trading day following a mostly neutral to bearish oil inventory report and the expected 25 basis point interest rate increase announced by the Federal Reserve in the afternoon. The oil market traded to a low of \$78.61 early in the morning as it continued to retrace some of Tuesday's gains before it bounced off that level ahead of the release of the EIA's weekly petroleum stocks report. It traded to a high of \$79.77 following the EIA report, which showed draws across the board. However, the draws were smaller than expected, which pressured the market once again as it traded back towards its low in afternoon trading. The market remained rangebound following the expected Fed announcement. The September WTI contract settled down 85 cents at \$78.78, its first loss in five sessions. The September Brent contract settled down 72 cents at \$82.92. Meanwhile, the product markets ended the session in positive territory, with the heating oil market settling up 6.53 cents at \$2.8429 and the RB market settling up 5.39 cents at \$2.9072.

Technical Analysis: The oil market on Thursday is seen retracing some more of its recent gains following the Federal Reserve Chairman's statement that the central bank may raise rates again at its next meeting in September. The market is seen finding resistance at its high of \$79.77, \$79.90 followed by \$81.18, \$81.48, \$82.27 and \$82.71. Meanwhile, support is seen at \$78.61, \$78.29, \$77.54, \$76.83, \$76.44 and \$76.12. Further support is seen at \$75.69, \$74.72 and \$73.82-\$73.78.

Fundamental News: The EIA reported that U.S. crude oil, gasoline and distillate inventories fell in the week ending July 21st, as net imports fell. Crude oil inventories fell by 600,000 barrels to 456.8 million barrels, less than expectations of a 2 million barrel draw. Crude stocks at Cushing, Oklahoma fell by 2.6 million barrels on the week. The EIA reported that net U.S. crude imports fell by 1.58 million bpd.

The Association of American Railroads reported that its weekly railcar loadings on major U.S. railroads in the week ending July 26th fell by 1.3% on the year to 222,454. The number of railcar loadings transporting petroleum and petroleum products increased by 1.4% on the year to 9,151.

Three industry sources said Russia will significantly increase its oil loadings in September, bringing an end to its steep export cuts in June-August, as peak refinery maintenance will free up more crude for sale outside the country. According to Reuters calculations, Russian refineries are expected to cut runs by some 195,000 bpd or 800,000 tons in September from August amid seasonal maintenance meaning that volume can be diverted to export markets. Industry sources stated that Russian oil exports from western ports in August are set to fall by 100,000-200,000 bpd on the month, but in September may recover to levels not seen since last May.

IIR Energy said U.S. oil refiners are expected to shut in about 155,000 bpd of capacity in the week ending July 28th, increasing available refining capacity by 356,000 bpd. Offline capacity is expected to increase to 158,000 bpd in the week ending August 4th.

Valero Energy Corp's 180,000 bpd Memphis, Tennessee refinery was shut on Tuesday night by a power outage. Sources stated that no damage was found as of Wednesday morning from the power outage and shutdown of all units at the refinery. A full restart is expected to take several days.

Chevron Corp's 269,000 bpd El Segundo, California refinery reported unplanned flaring. The refinery experienced an operational issue at one of its process units. It said the temporary operational issue does not impact its ability to supply petroleum products to its customers.

Early Market Call - as of 8:35 AM EDT

WTI - August \$79.77, up 99 cents

RBOB - August \$2.9353, up 2.81 cents

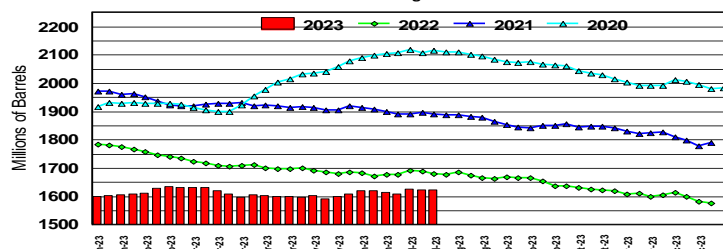
HO - August \$2.8929, up 5 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-23	2.8429	0.0653	0.2011
Sep-23	2.8367	0.0633	0.2012
Oct-23	2.8178	0.0558	0.1924
Nov-23	2.7853	0.0459	0.1779
Dec-23	2.7497	0.0359	0.1633
Jan-24	2.7249	0.0297	0.1536
Feb-24	2.6986	0.0250	0.1446
Mar-24	2.6667	0.0211	0.1352
Apr-24	2.6286	0.0187	0.1254
May-24	2.6016	0.0170	0.1176
Jun-24	2.5799	0.0151	0.1108
Jul-24	2.5681	0.0138	0.1053
Aug-24	2.5601	0.0129	0.1015
Sep-24	2.5532	0.0121	0.0984
Oct-24	2.5485	0.0122	0.0969
Nov-24	2.5418	0.0119	0.0952
Dec-24	2.5329	0.0105	0.0932

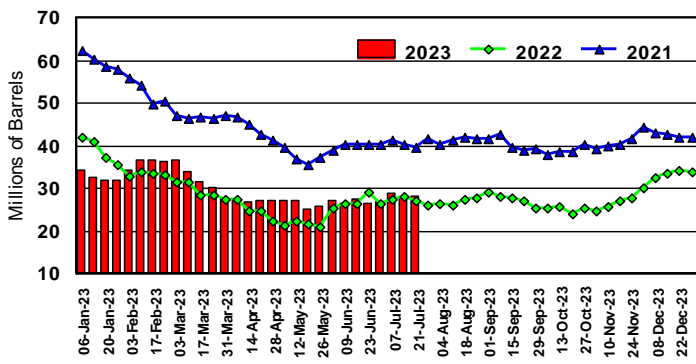
Sprague HeatCurve October 2023-April 2024		\$2.7205
	Close	Change
Crude - WTI	\$78.7800	-\$0.8500
Crude - Brent	\$82.9200	-\$0.7200
Natural Gas	\$2.6650	-\$0.0650
Gasoline	\$2.9072	\$0.0539

Total U.S. Oil Stocks Including SPR



Weekly EIA Petroleum Status Report for the Week Ending July 21, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

- Crude Oil Stocks(excluding SPR) Down 600,000 barrels
- Cushing, OK Crude Stocks Down 2.609 million barrels
- Gasoline Stocks Down 786,000 barrels
- Distillate Stocks Down 245,000 barrels
- Refinery % Operated 93.4%, down 0.9%

PADD #1

	Week Ending July 21, 2023	Week Ending July 14, 2023	Week Ending July 22, 2022
Distillate Stocks (in million bbl)			
New England	3.5	3.2	3.4
Central Atlantic	13.2	14.2	12.6
Total PADD #1	28.1	27.9	27.0
Distillate Imports (thousands b/d)	154	54	97

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