

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil futures traded mixed on Friday after OPEC+ delayed its meeting, with sources saying the United Arab Emirates (UAE) had balked at proposals that included raising supply by 2 million barrels per day by year end. Both benchmark contracts had gained on Thursday after OPEC+ sources said the group aimed to hike output by less than expected and retreated when UAE opposed the proposals, which also included extending the pact on output to the end of 2022. It appears that traders were waiting on the sidelines for the group to come reach an agreement, before adding to or exiting positions. The U.S. jobs report added some volatility in this very thinly traded market due to the long U.S. Fourth of July weekend. WTI for August delivery lost 7 cents, or 0.09%, to settle at \$75.16 a barrel, for a weekly gain of 1.5%. September Brent tacked on 33 cents, or .44%, to settle at \$76.17 a barrel, for a weekly gain of 1.1%. August RBOB rose 1.4% to end at \$2.2998 a gallon, the highest close for a front month contract since October 28, 2014. August heating oil rose 1.1%, to settle at \$2.1791 a gallon.

Technical Analysis: Although OPEC+ came to an agreement to extend the output pact to the end of 2022 and to also add more barrels to the market, the UAE was still not happy with this decision. We will have to wait and see how this plays out in the marketplace and whether or not the agreement is a sealed deal. With the U.S. crude market expected to tighten as refinery runs pick up to meet recovering gasoline demand, we expect for this market to stay with the upside momentum, pushing toward \$77.50. Support is seen at \$74.90, \$72.70 and the key psychological level of \$70. As this market appears to be a bit overextended, we would not discount some shake outs to the downside before heading higher.

Fundamental News: On Friday, OPEC+ agreed to add more oil to the market immediately and extend the duration of their pact on their remaining production cuts for longer, even though the United Arab Emirates still opposed the new deal. All OPEC+ deals require unanimous approval. The rare development on Friday means the UAE could still derail the plan. It was not immediately clear how the new plan would work. Under the new deal OPEC would release more barrels from August 2021 and extend the duration of the output pact to the end of 2022 from its original April 2022 expiry. The UAE said the extension was conditional on revising up its baseline, the level of production against which cuts are calculated.

U.S. energy firms added oil and natural gas rigs for a third time in four weeks. Baker Hughes reported that the oil and gas rig count, an early indicator of future output, increased by 5 to 475 in the week ending July 2nd, its highest since April 2020. The number of rigs drilling for oil increased by 4 to 376, while the number of rigs searching for gas increased by 1 to 99 in the week ending July 2nd.

The D.C. Circuit Court of Appeals vacated a Trump-era rule allowing summer sales of gasoline with higher ethanol blends. The ruling reverses a 2019 rule from the Environmental Protection Agency under former President Donald Trump that lifted restrictions on the sale of a 15% ethanol fuel blend.

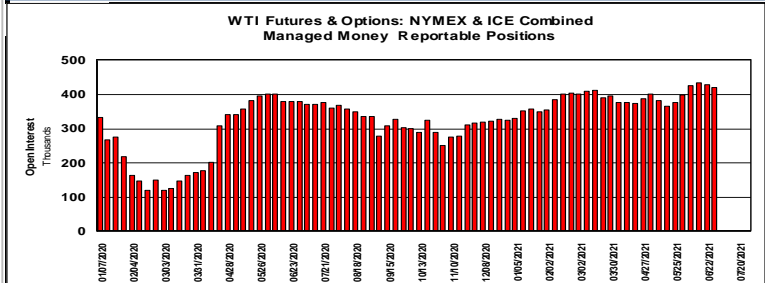
Republican Congressman Randy Feenstra of Iowa and Democrat Congresswoman Angie Craig of Minnesota introduced a bill on Friday to restrict the EPA's ability to grant waivers to refiners on blending biofuels, after the Supreme Court overturned a lower court decision that had imposed limits. The lawmakers said they wanted to clarify existing law and restrict waivers, which exempt refiners from obligations to blend biofuels, to a few plants.

Early Market Call - as of 8:15 AM EDT

WTI - Aug \$75.96, up 81 cents
 RBOB - Aug \$2.3117, up 1.19 cents
 HO - Aug \$2.1978, up 1.87 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-21	2.1791	0.0229	0.0276
Sep-21	2.1814	0.0235	0.0274
Oct-21	2.1811	0.0236	0.0268
Nov-21	2.1793	0.0234	0.0259
Dec-21	2.1767	0.0232	0.025
Jan-22	2.1738	0.0232	0.0248
Feb-22	2.1675	0.0231	0.0247
Mar-22	2.1557	0.0227	0.0251
Apr-22	2.1391	0.0231	0.0252
May-22	2.1258	0.0238	0.0251
Jun-22	2.1161	0.0246	0.0254
Jul-22	2.113	0.0248	0.0255
Aug-22	2.1108	0.0246	0.0257
Sep-22	2.1091	0.0244	0.024
Oct-22	2.108	0.0242	0.0259
Nov-22	2.1064	0.024	0.0256
Dec-22	2.104	0.0238	0.0256

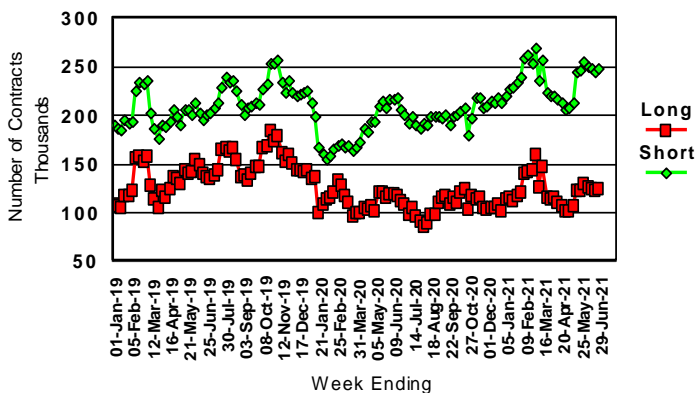
Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	Sep Brent-WTI Spread \$(1.81)	\$76.1700	\$0.3300
Crude - Brent		\$74.3600	\$0.0300
Natural Gas		\$3.7000	\$0.0390
Gasoline		\$2.2998	\$0.0322



Commitment of Traders Report for the Week Ending June 29, 2021

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

