

Market Commentary

Recap: Oil prices rose more than 2% on Friday, after falling to five-month lows this week, after Saudi Arabia said OPEC was close to agreeing to extend an output production cut beyond June. August Brent dipped to just above unchanged before rebounded to a fresh high for the week. This spot contract tacked on 3%, reaching a high of \$63.58 a barrel, while July WTI topped the session at \$54.32 a barrel, for a gain of 3.2%. A pre-settlement sell-off followed, with July WTI falling back below \$54.00 a barrel, to settle at \$53.99, up \$1.40, or 2.66 percent. WTI saw a 0.9% rise for the week. August Brent settled at \$63.29 a barrel, up \$1.62, or 2.63%. This contract rose 2.1% for the week. July RBOB rose 1.8% to \$1.739 a gallon, settling down 1.8% for the week, and July heating oil added 2% to \$1.825 a gallon—down roughly 0.9% from the week-ago close.

Technical Analysis: After succumbing to pressure during the week, crude oil prices rebounded as buyers stepped in. WTI remains contained between \$55.00 and \$50.00, two key technical levels. A break above \$55.00 should spark buying interest, which has the potential of taking this market back to the \$60.00 level. With slow stochastics crossing to the upside, we would look for the July contract to work its way toward the 10-day moving average currently set at \$55.18. Above this level, additional resistance is set at \$58.17. Support is set at \$50.00 and \$48.40.

Fundamental News: US energy firms this week cut the oil rig count to the lowest level since February 2018 as drillers follow through on plans to reduce spending with crude prices. Baker Hughes reported that drillers cut 11 oil rigs in the week ending June 7th, bringing the total count down to 789.

Saudi Arabia's Energy Minister, Khalid Al-Falih, said that OPEC and its allies should extend oil production cuts at around current levels as the country does not want a fight for market share with the US or a repeat of the price collapse five years ago. He said OPEC was close to agreeing to extend a pact on cutting oil supplies beyond June, although more talks were still needed with non-OPEC countries that were part of the production deal.

Iraq's Oil Minister, Thamer Ghadhban, said that OPEC and its allies were most likely to extend their global oil output deal until the end of the year when they hold their policy meeting in coming weeks. He said OPEC and its allies would likely again assess the oil market situation in December.

Russia's Energy Minister, Alexander Novak, said many oil exporting countries have confirmed they are prepared to hold a policy meeting with OPEC in Vienna on July 2-4, instead of the scheduled date later this month. Meanwhile, Russia's Energy Minister said there could be an oversupply of oil on the market if trade wars continue.

Norway's Equinor evacuated oil workers from its Statfjord A platform in the North Sea after it was struck by a supply vessel. The platform was not producing when the collision occurred early Friday morning. The platform had been shut since the end of May for maintenance expected to last through July.

Norwegian energy sector union, Safe, said it planned to take 667 members on strike at floating offshore installations if state-sponsored wage mediation due on June 27th fails. On Thursday, Norway's largest oil workers' union, Energi, said it planned to take up to 937 members on strike if the mediation fails.

IIR Energy reported that US oil refiners are expected to shut in 599,000 bpd of capacity in the week ending June 7th, increasing available refining capacity by 69,000 bpd from the previous week. Offline capacity is expected to fall to 573,000 bpd in the week ending June 14th.

Early Market Call - as of 9:00 AM EDT

WTI - July \$54.11, up 12 cents

RBOB - July \$1.7403, up 12 points

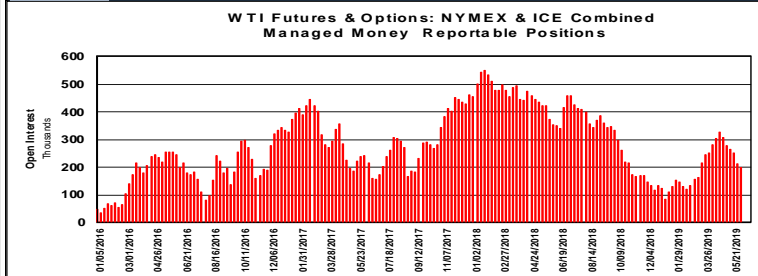
HO - July \$1.8247, down 4 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-19	1.8248	0.0365	-0.0156
Aug-19	1.8316	0.0368	-0.0135
Sep-19	1.8404	0.0368	-0.0128
Oct-19	1.8502	0.0369	-0.011
Nov-19	1.8585	0.037	-0.0088
Dec-19	1.8634	0.037	-0.0074
Jan-20	1.8668	0.0371	-0.0063
Feb-20	1.8641	0.0369	-0.0063
Mar-20	1.8566	0.0368	-0.0065
Apr-20	1.8437	0.0365	-0.007
May-20	1.8351	0.036	-0.0082
Jun-20	1.8304	0.0356	-0.0087
Jul-20	1.8318	0.0354	-0.0081
Aug-20	1.8345	0.0349	-0.0078
Sep-20	1.8377	0.0342	-0.0079
Oct-20	1.8395	0.0331	-0.0089
Nov-20	1.8414	0.0325	-0.0085

Sprague HeatCurve Oct 2019-Apr 2020 \$1.8599

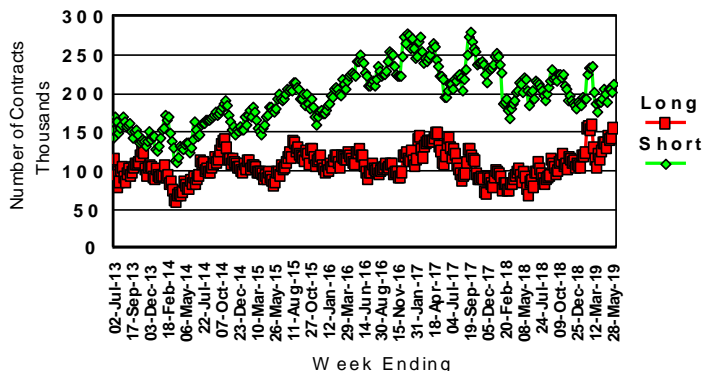
Other Front Month NYMEX		Close	Change
Crude - WTI	Aug Brent-	\$54.1600	\$1.4300
Crude - Brent	WTI Spread	\$63.2900	\$1.6200
Natural Gas	\$9.13	\$2.3370	\$0.0130
Gasoline		\$1.7389	\$0.0313



Commitment of Traders Report for the Week Ending June 4, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

