

Market Commentary

Recap: The oil market continued on its downward trend on Thursday, falling for a sixth consecutive session. The market sold off sharply as it was once again pressured by a stronger U.S. dollar and concerns over weaker demand as the newest wave of coronavirus infections throughout the world has cut global travel and threatens economic activity. The U.S. dollar reached a nine-month high on Thursday after Federal Reserve meeting minutes showed policymakers are considering reducing pandemic-era stimulus this year. The oil market opened at \$64.58 and traded to a high of \$64.76 before it continued to trend lower. It sold off to a low of \$62.63 by mid-morning before it settled in a sideways trading range during the remainder of the session. Oil futures ended in negative territory for the sixth consecutive day, the longest losing streak since a six session decline ended on February 28, 2020. The September WTI contract which expires on Friday, settled down \$1.77 at \$63.69, while the October contract settled down \$1.71 at 63.50. The Brent contract settled down \$1.78 at \$66.45. The products market also ended in negative territory, with the heating oil market settling down 5.22 cents at \$1.9690 and the RBOB market settling down 6.62 cents at \$2.0815.

Technical Analysis: On Friday, the oil market will likely retrace some of its sharp losses ahead of the September contract's expiration at the close. The September WTI contract is seen finding support at its low of \$62.63, \$61.56 and \$60.66. Resistance is seen at its high of \$64.76, followed by \$67.48, \$67.72 and \$68.27. Basis the October contract, support is seen at its low of \$62.41, \$60.87 basis a downward trend channel, and \$60.68, while upside is seen at \$63.72, \$64.57, \$66.64 and \$67.23.

Fundamental News: The Joint Organization Data Initiative reported that Saudi Arabia's crude oil output in June increased by 383,000 bpd or 4.5% on the month to 8.927 million bpd, while its crude exports increased by 316,000 bpd or 5.6% to 5.965 million bpd, its highest level since January. Saudi Arabia's crude stocks in June fell by 636,000 barrels on the month to 135.139 million barrels. Saudi Arabia's domestic refinery crude throughput in June increased by 9,000 bpd on the month to 2.398 million bpd. Saudi Arabia's demand for oil products in June increased by 177,000 bpd to 2.323 million bpd, while its oil products exports increased by 72,000 bpd to 1.358 million bpd.

OPEC delegates said OPEC+ compliance eased slightly from 112% in June. OPEC members delivered 116% of agreed cuts in July while non-OPEC members delivered 97% of agreed cuts.

Energy Aspects said Saudi Arabia is considering a postponement of the group's next planned supply increase. It does not believe that Saudi Arabia is keen on heeding to the Biden Administration's call to increase oil production to lower gasoline prices. Energy Aspects said global demand will not reach 2019 levels until the second half of 2022. It cut its third quarter demand forecast by 250,000 bpd for China and 220,000 bpd for the U.S.

Crude oil loadings at Equinor's Sture export terminal on Norway's west coast were interrupted on Thursday after activists from the Extinction Rebellion group breached the facility's safety zone. A company spokesperson said Equinor halted the loading of the TS Bergen aframax vessel, but other operations at Sture were not affected.

The EPA reported that the U.S. generated 1.27 billion ethanol (D6) blending credits in July, unchanged from June. It also reported that the U.S. generated 356 million biodiesel (D4) blending credits in July, down from 429 million in June.

Early Market Call - as of 8:10 AM EDT

WTI - Sep \$62.61, down 87 cents
 RBOB - Sep \$2.0242, down 5.70 cents
 HO - Sep \$1.9229, down 4.59 cents

All NYMEX | Prior Settlements

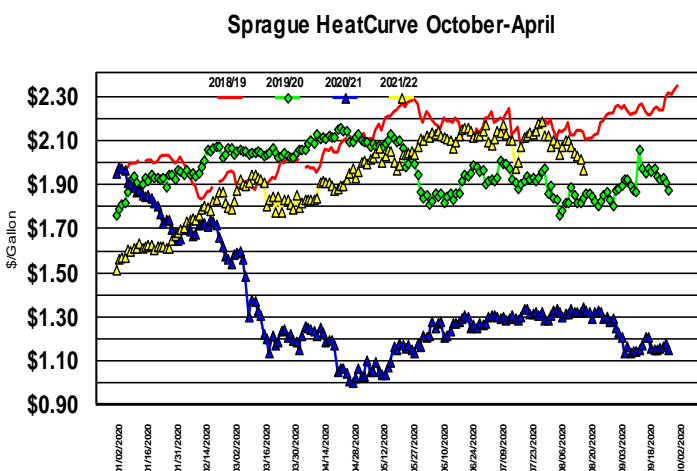
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-21	\$1.9690	-\$0.0522	-\$0.1349
Oct-21	\$1.9714	-\$0.0532	-\$0.1354
Nov-21	\$1.9718	-\$0.0535	-\$0.1357
Dec-21	\$1.9699	-\$0.0536	-\$0.1359
Jan-22	\$1.9674	-\$0.0539	-\$0.1357
Feb-22	\$1.9611	-\$0.0545	-\$0.1363
Mar-22	\$1.9515	-\$0.0553	-\$0.1356
Apr-22	\$1.9381	-\$0.0548	-\$0.1343
May-22	\$1.9301	-\$0.0542	-\$0.1328
Jun-22	\$1.9247	-\$0.0540	-\$0.1316
Jul-22	\$1.9256	-\$0.0535	-\$0.1302
Aug-22	\$1.9268	-\$0.0531	-\$0.1290
Sep-22	\$1.9283	-\$0.0526	-\$0.1275
Oct-22	\$1.9308	-\$0.0519	-\$0.1260
Nov-22	\$1.9323	-\$0.0514	-\$0.1245
Dec-22	\$1.9325	-\$0.0508	-\$0.1232
Jan-23	\$1.9329	-\$0.0505	-\$0.1215

Sprague HeatCurve October 2021-April 2022		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$2.95	\$63.5000	-\$1.7100
Crude - Brent		\$66.4500	-\$1.7800
Natural Gas		\$3.8300	-\$0.0220
Gasoline		\$2.0815	-\$0.0662

EIA Working Gas Storage Report

	13-Aug-21	06-Aug-21	Change	13-Aug-2020
East	645	629	16	748
Midwest	765	741	24	877
Mountain	188	185	3	209
Pacific	240	241	-1	313
South Central	984	979	5	1,222
Salt	244	247	-3	335
Nonsalt	741	732	9	887
Total	2,822	2,776	46	3,369

Sprague HeatCurve October-April



ICE October Brent-WTI Spread

