

Market Commentary

Recap: The oil market sold off sharply on Monday amid some market analysis highlighting increasing global supplies and concerns about demand growth just ahead of the Federal Reserve's policy meeting on Wednesday. This followed Friday's inside trading session. On Sunday evening, Goldman Sachs cut its oil price forecasts on higher than expected supplies from Russia and Iran. Also, while the Federal Reserve is expected to leave interest rates unchanged for the month, investors are concerned the Fed is likely to resume rate increases in July. The oil market posted its high of \$70.33 at the opening on Sunday night and quickly started to sell off after Goldman Sachs cut its oil price outlook for the third time in the last six months. The market quickly breached its previous low of \$70.10 and extended its losses to over \$3.30 as it sold off to a low of \$66.80 by mid-morning. The oil market later settled in a sideways trading range during the remainder of the session from \$67.25 to \$68.16. The July WTI contract settled down \$3.05 at \$67.12 and the August Brent contract settled down \$2.95 at \$71.84. The product markets also settled in negative territory, with the heating oil market settling down 52 points at \$2.3091 and the RB market settling down 11.06 cents at \$2.4826.

Technical Analysis: The oil market on Tuesday will be driven by the inflation data due out in the morning ahead of the Federal Reserve decision on interest rates on Wednesday. Technically, the crude market is seen finding support at \$67.00, its low of \$66.80 and \$63.64. Meanwhile, resistance is seen at \$68.16, \$68.34, \$68.90 and \$70.33. Further upside is seen at \$71.77, \$73.28 and \$75.06.

Fundamental News: Goldman Sachs cut its oil price forecasts on higher than expected supplies from Russia and Iran. It cut its December Brent crude price forecast to \$86/barrel, down from a previous forecast of \$95/barrel. It also cut its December WTI price forecast to \$81/barrel from a previous forecast of \$89/barrel.

Tanker-tracking data from Bloomberg shows Russia's crude exports in the four weeks ending June 4th increased to 3.73 million bpd from a revised 3.68 million bpd in the four week period ending May 28th. Crude shipments from Russian ports are 1.4 million bpd higher than at the end of 2022, with most of the crude going to India and China.

Vortexa reported that the amount of crude stored on tankers that have been stationary for at least a week fell by 4.2% on the week to 101.76 million barrels in the week ending June 9th.

The EIA stated in its rig productivity report that U.S. oil output from top shale-producing regions is due to increase to the highest level on record in July, while the size of that increase is expected to be the lowest increase since December. Total oil production in July from the shale regions is forecast to increase by about 9,300 bpd to 9.376 million bpd, compared with an increase of 40,000 bpd in June.

Saudi Aramco has notified at least five customers in North Asia they will receive full nominated volumes of crude oil in July, after it pledged to cut production next month. Saudi Arabia vowed to cut its production to 9 million bpd in July from around its current output of 10 million bpd.

IIR Energy reported that U.S. oil refiners are expected to shut in about 65,000 bpd of capacity offline in the week ending June 16th, increasing available refining capacity by 306,000 bpd. Offline capacity is expected to decrease to 14,000 bpd in the week ending June 23rd.

Early Market Call - as of 8:25 AM EDT

WTI - July \$68.70, up \$1.58

RBOB - July \$2.5392, up 5.66 cents

HO - July \$2.3632, up 5.31 cents

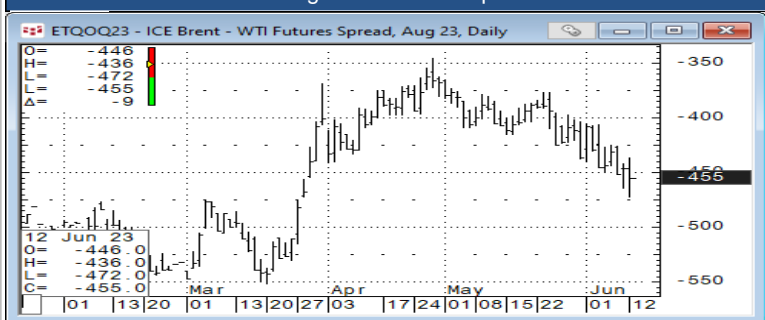
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-23	2.3091	-0.0519	-0.0684
Aug-23	2.2981	-0.0557	-0.0765
Sep-23	2.2990	-0.0569	-0.0806
Oct-23	2.3014	-0.0575	-0.0816
Nov-23	2.2976	-0.0586	-0.0844
Dec-23	2.2914	-0.0592	-0.0858
Jan-24	2.2894	-0.0590	-0.0862
Feb-24	2.2849	-0.0591	-0.0851
Mar-24	2.2740	-0.0586	-0.0826
Apr-24	2.2547	-0.0575	-0.0805
May-24	2.2419	-0.0565	-0.0794
Jun-24	2.2311	-0.0560	-0.0796
Jul-24	2.2267	-0.0549	-0.0790
Aug-24	2.2242	-0.0535	-0.0779
Sep-24	2.2229	-0.0526	-0.0770
Oct-24	2.2229	-0.0520	-0.0766
Nov-24	2.2214	-0.0514	-0.0761

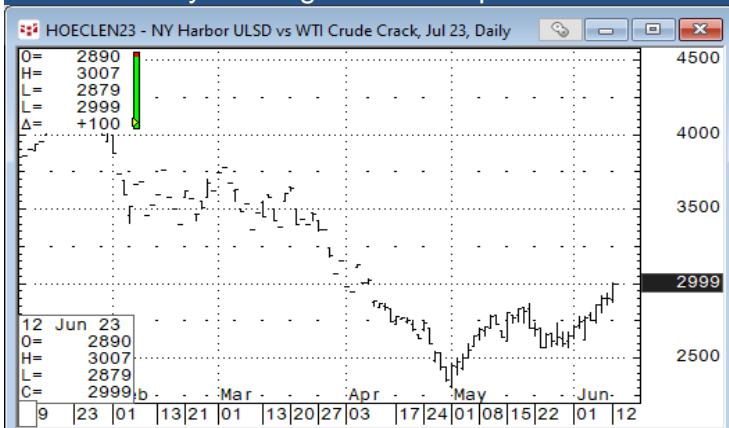
Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$67.2900	-\$3.0400
Crude - Brent	\$71.8400	-\$2.9500
Natural Gas	\$2.2660	\$0.0120
Gasoline	\$2.4826	-\$0.1106

ICE August Brent-WTI Spread



July Heating Oil Crack Spread



July RBOB Crack Spread

