

Market Commentary

Recap: Oil prices rose for a fourth day on Tuesday on optimism the U.S. Federal Reserve will this week cut interest rates for the first time in more than 10 years, boosting demand expectations in the world's biggest oil user. Also adding support, were expectations that U.S. crude oil inventories fell for the seventh straight week, as well as the resumption of trade talks between China and the U.S. September WTI rose as much as 2.5%, or \$1.45 to a session high of \$58.32 a barrel by 2:22 p.m. EST, while the soon to expire September Brent traded at a high of \$65.04 a barrel, a gain of \$1.33, or 2%. Gains were pared, with September WTI settling at \$58.05, up \$1.18, or 2.07%. Brent for September delivery tacked on \$1.01, or 1.59%, to settle at \$64.72 a barrel. This was the highest settlement for both WTI and Brent since July 15. September heating oil rose 3.23 cents to end at \$1.9526 a gallon, while September RBOB finished 3.07 cents higher at \$1.846 a gallon.

Technical Analysis: Based upon a daily spot continuation chart, WTI settled above its 200-day moving average currently set at \$57.90. This, combined with a cross to the upside of the slow stochastics indicates oversold market conditions. With this in mind we would look for WTI to work toward \$58.96, the 50% retracement established by the June low of \$50.74 and the April high of \$67.17. Above this level, additional resistance is set at \$59.58, set by the descending trend line drawn of the \$67.17. Support rests at \$57.90, the 200-day moving average and below that at \$57.00.

Fundamental News: According to an industry source and tanker data, Iranian oil exports fell in July to as low as 100,000 bpd due to sanctions and rising tension with the US and Britain.

Iran's semi-official Students News Agency reported that Iran was to revive maritime security talks on Tuesday with officials from the UAE amid worsening frictions between the Islamic Republic and the West in the Gulf region.

Iran's Foreign Minister, Mohammad Javad Zarif, called on US President Donald Trump to reject his hawkish allies' thirst for war and added that Iranians had outlasted every aggressor for millennia.

Germany's Vice Chancellor, Olaf Scholz, said Germany must do everything possible to avoid an escalation in the Gulf. He said Germany is working closely with France and Britain, with a goal of maintaining the nuclear deal with Iran.

BP's Chief Financial Officer, Brian Gilvary, said BP has not taken any of its oil tankers through the Strait of Hormuz since a July 10th attempt by Iran to seize one of its vessels. He said BP has no current plans to take any of its own vessels through the strait and added that BP is shipping oil out of the region using chartered tankers.

US President Donald Trump warned China against waiting out his first term in office to finalize any trade deal, saying if he wins re-election in the November 2020 US presidential contest they will not get any agreement or a worse one.

Separately, US President Donald Trump called on the Federal Reserve to make a large interest rate cut, saying he was disappointed in the US central bank and that it had put him at a disadvantage by not acting sooner. He made his comments as the Federal Reserve began its two-day policy meeting.

The head of the EPA, Andrew Wheeler, defended his agency's expanded use of waivers exempting refineries from the country's biofuel law during a closed-door meeting with farm state senators last week. He argued the program has had no negative impact on ethanol demand. His comments are a sign that he may resist an overhaul of the so-called Small Refinery Exemption program.

Early Market Call - as of 8:40 AM EDT

WTI - Sep \$58.64, up 59 cents

RBOB - Aug \$1.8590, up 1.29 cents

HO - Aug \$1.9693, up 1.66 cents

All NYMEX | Prior Settlements

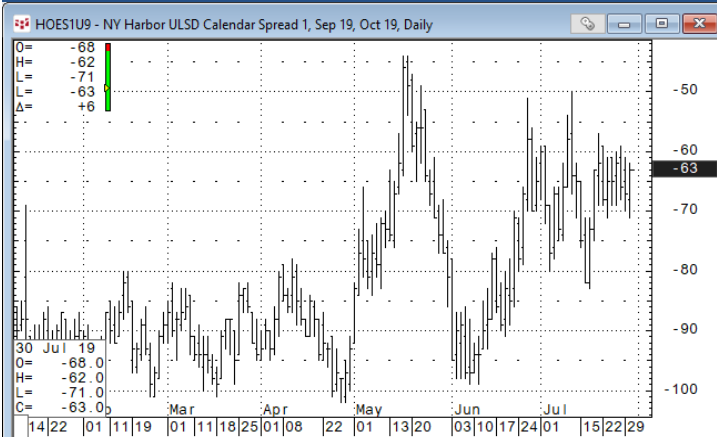
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-19	1.944	0.0334	0.0223
Sep-19	1.9526	0.0323	0.0229
Oct-19	1.959	0.0318	0.0231
Nov-19	1.9624	0.031	0.0224
Dec-19	1.963	0.0305	0.0216
Jan-20	1.9625	0.0298	0.0207
Feb-20	1.9559	0.0285	0.0191
Mar-20	1.9436	0.0269	0.0169
Apr-20	1.9279	0.0255	0.0155
May-20	1.917	0.0242	0.0142
Jun-20	1.9095	0.023	0.0129
Jul-20	1.909	0.0224	0.012
Aug-20	1.9098	0.0219	0.0113
Sep-20	1.9116	0.0212	0.0112
Oct-20	1.9123	0.0207	0.0104
Nov-20	1.9128	0.0205	0.01
Dec-20	1.9112	0.0203	0.0095

Sprague HeatCurve Oct 2019-Apr 2020			\$1.9551
Other Front Month NYMEX		Close	Change
Crude - WTI	Sep Brent-	\$58.0500	\$1.1800
Crude - Brent	WTI Spread	\$64.7200	\$1.0100
Natural Gas	\$6.67	\$2.1370	\$0.0210
Gasoline		\$1.8969	\$0.0335

API Weekly Report for the Week Ending July 26, 2019

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 6 million barrels	Down 2.6/3.9 million barrels
Cushing, OK Crude Stocks	Down 1.4 million barrels	
Gasoline Stocks	Down 3.1 million barrels	Down 1.1/1.4 million barrels
Distillate Stocks	Down 890,000 barrels	Up 400,000 barrels
Refinery Runs		Up 0.9%, at 94%

NYMEX Heating Oil Sep-Oct Spread



NYMEX RBOB Sep-Oct Spread

