

Market Commentary

All NYMEX | Prior Settlements

Recap: Oil prices were mixed for most of the session on Thursday, but managed to hover near five-month highs, gaining support from a weak dollar, and Iraq's planned production cuts, as traders weighed in on a surprising fall in U.S. weekly first-time jobless claims. Trading was choppy, amid rising U.S. refined product inventories, as concerns remain over depressed demand due to the economic slowdown brought on by the coronavirus. September WTI lost 24 cents, or 0.6%, to close at \$41.95 a barrel. October Brent fell 8 cents, or 0.2%, to settle at \$45.09. September RBOB added 0.53 cent, or 0.4%, to settle at \$1.2281 a gallon, while September heating oil slipped 1.32 cents, or 1.1%, to close at \$1.2499.

Technical Analysis: It was basically a lackluster trading session for oil prices on Thursday, as traders continue to grapple with the coronavirus and its impact on demand, the end of production cut agreements from OPEC+, falling U.S. inventories and a weakening U.S. dollar. From a technical standpoint, WTI and its products appear to be getting ready to break to the upside, but some of the aforementioned factors are hovering over this market like a dark cloud. The 200-day moving average, currently set at \$42.37, is maintaining itself as an area of contention. A successful break above this level put this market in line for a run at \$46.19, with additional resistance set at \$49. Support is set at \$41.40 and below that at \$39.43.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending Tuesday, August 4th fell by 60,591 barrels but increased by 868,444 barrels from Friday, July 31st to 54,997,712 barrels.

According to data from the U.S. Census Bureau, the United States sent a shipment of crude to Saudi Arabia in June, in what appears to be the first such delivery since the U.S. ban on crude exports ended in 2015. The United States shipped about 550,000 barrels, or 18,300 bpd of crude to Saudi Arabia in June. The U.S. Energy Information Administration has no recorded instances of a U.S. crude shipment to Saudi Arabia. Traders said it is possible the cargo was part of another shipment headed to a different country. There are no records of a crude shipment to Saudi Arabia from the United States in Refinitiv Eikon vessel tracking data.

Iraq said it would make an additional cut in its oil production of about 400,000 bpd in August to compensate for its overproduction over the past period under the OPEC+ supply reduction pact. According to a statement by Iraq's oil ministry and state oil marketer SOMO, Iraq's oil output cut in August will be over and above the agreed cut for August.

S&P Global Platts estimates that US Gulf Coast middle distillate exports scheduled to arrive into Europe this month are currently scheduled to amount to at least 660,000 mt. In July they estimated some 400,000 mt of middle distillates were shipped to Europe from the Gulf Coast.

World Health Organization Director General, Tedros Adhanom Ghebreyesus, said economic recovery around the world could come faster if any COVID-19 vaccine is made available to all as a public good.

The U.S. Labor Department reported that the number of initial unemployment benefit claims fell by 249,000 to a seasonally adjusted 1.186 million in the week ending August 1st. It was the lowest reading since mid-March. The report also showed the number of people receiving benefits after an initial week of aid totaled 16.107 million in the week ending July 25th from 16.951 million in the previous week.

Early Market Call - as of 9:05 AM EDT

WTI - Sep \$41.64, down 30 cents

RBOB - Sep \$1.2256, down 25 points

HO - Sep \$1.2407, down 90 points

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-20	1.2499	-0.0132	-0.0296
Sep-20	1.2691	-0.0119	-0.0335
Oct-20	1.2890	-0.0110	-0.0350
Nov-20	1.3084	-0.0103	-0.0368
Dec-20	1.3267	-0.0104	-0.0388
Jan-21	1.3412	-0.0103	-0.0414
Feb-21	1.3501	-0.0101	-0.0434
Mar-21	1.3541	-0.0091	-0.0453
Apr-21	1.3613	-0.0084	-0.0471
May-21	1.3699	-0.0079	-0.0477
Jun-21	1.3835	-0.0076	-0.0475
Jul-21	1.3965	-0.0071	-0.0476
Aug-21	1.4087	-0.0064	-0.0479
Sep-21	1.4195	-0.0060	-0.0476
Oct-21	1.4295	-0.0055	-0.0473
Nov-21	1.4375	-0.0049	-0.0469
Dec-21	1.4476	-0.0046	-0.0458

Sprague Heat Weighted Strip October -April 20/2021			\$1.3238
		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$2.89	\$42.2000	-\$0.2300
Crude - Brent		\$45.0900	-\$0.0800
Natural Gas		\$2.1650	-\$0.0260
Gasoline		\$1.2281	\$0.0053

EIA Working Gas Storage Report

	31-Jul-20	24-Jul-20	Change	Year Ago
East	718	706	12	608
Midwest	830	815	15	694
Mountain	202	196	6	160
Pacific	311	313	-2	271
South Central	1,214	1,211	3	939
Salt	336	339	-3	222
Nonsalt	878	872	6	716
Total	3,274	3,241	33	2,673

Sprague HeatCurve October-April

ICE October Brent-WTI Spread

