

Market Commentary

Recap: Oil futures rose in volatile trade on Friday, as concern over a potential recession-driven demand downturn outweighed tight global supplies. Central banks are raising interest rates to tame inflation, spurring fears that rising borrowing costs could stifle growth, while mass COVID-19 testing in Shanghai this week was cause for worry over potential lockdowns that could also hit oil demand. Oil has soared over the first half of the year. Brent crude came close to the record high of \$147, while WTI rose to \$130.50 after Russia launched its invasion of Ukraine in February, adding to supply concerns that some analysts expect to worsen. Front month NYMEX Crude for August delivery closed up \$2.06 or 2.01% at \$104.79 a barrel but lost \$3.64 per barrel, or 3.36% on the week. September Brent added \$2.37 or 2.26%, to settle at \$107.02 a barrel, down \$4.61 or 4.13% on the week. August heating oil lost 26.60 cents per gallon, or 6.75% to \$3.6729 this week, down 0.10 cent or 0.03% for the session. August RBOB lost 24.07 cents per gallon, or 6.53% to \$3.4471 per gallon this week, up 2.67 cents, or 0.78% for the session.

Technical Analysis: Oil markets were rocked by economic worries but ended the week on a bullish note, as supply concerns overshadowed economic concerns. There is a perceived opinion that tightness will intensify rather than show signs of easing. U.S. non-farm jobs data showed job growth increased more than expected in June, a sign of persistent labor market strength that gives the Federal Reserve ammunition to deliver another 75-basis-point rate hike this month. While the U.S. jobs report looks promising for demand, it also raises concern that a strong jobs market will lead to the U.S. Federal Reserve being more aggressive when it comes to raising interest rates. WTI dropped below the \$100 level but in a sign of strength recaptured it, indicating that this market still has more room to the upside. August WTI finished the week above \$104.50, the 38% retracement provide by the March high of \$130.50 and the December low of \$62.43. At this point, we would look for this market to work its way back above the 50-day moving average, which ended the week at 110.95. Resistance above this level is set at \$114. To the downside, support is seen at \$100 and \$96.46.

Fundamental News: U.S. energy firms this week increased the number of oil and natural gas rigs for the fourth time in five. Baker Hughes reported that the oil and gas rig count increased by two to 752 in the week ending July 8th. It said U.S. oil rigs increased by two to 597 this week, their highest since March 2020, while gas rigs were unchanged at 153.

According to the EIA, U.S. crude oil production in April fell by about 0.5% to the lowest since February. Oil production fell to about 11.6 million bpd in April from nearly 11.7 million bpd in March.

IIR Energy said U.S. oil refiners are expected to shut in 596,000 bpd of capacity in the week ending July 8th, cutting available refining capacity by 51,000 bpd.

U.S. Secretary of State Antony Blinken called the assassination of former Japanese Prime Minister Shinzo Abe on Friday "shocking" and "profoundly disturbing," describing him as a leader of great vision and an extraordinary partner for the United States. Former Prime Minister Shinzo Abe, Japan's longest-serving leader, died on Friday hours after he was shot while campaigning for a parliamentary election in Japan, shocking a country in which political violence is rare and guns are tightly controlled.

The U.S. Treasury Department said U.S. Treasury Secretary Janet Yellen heads to Asia next week to meet with officials from Japan, South Korea and other G20 economies as she seeks to build support for a price cap on Russian oil. Yellen is scheduled to hold bilateral meetings in Tokyo on July 12th-13th before gathering with Group of 20 finance officials in Bali, Indonesia, from July 15th-16th, followed by a day of talks in Seoul on July 19th.

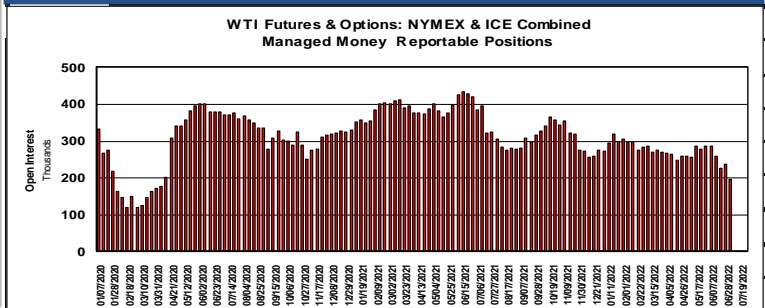
Early Market Call - as of 9:25 AM EDT

WTI - August \$103.01, down \$1.73
 RBOB - August \$3.4044, down 4.27 cents
 HO - Augusts \$3.7517, up 7.88 cents

All NYMEX | Prior Settlements

Month	USD (HO)		Change In One Week
	Close	Prior Settle Change	
Jul-22	3.6729	-0.0010	-0.2660
Aug-22	3.5943	0.0004	-0.3446
Sep-22	3.5316	0.0070	-0.2529
Oct-22	3.4723	0.0135	-0.2339
Nov-22	3.4163	0.0211	-0.2118
Dec-22	3.3713	0.0232	-0.1868
Jan-23	3.3187	0.0212	-0.1630
Feb-23	3.2619	0.0218	-0.1347
Mar-23	3.2051	0.0231	-0.1056
Apr-23	3.1588	0.0253	-0.0899
May-23	3.1180	0.0309	-0.0766
Jun-23	3.0865	0.0289	-0.0759
Jul-23	3.0580	0.0287	-0.0737
Aug-23	3.0225	0.0250	-0.0735
Sep-23	2.9809	0.0232	-0.0751
Oct-23	2.9441	0.0255	-0.0683
Nov-23	2.9118	0.0260	-0.0573

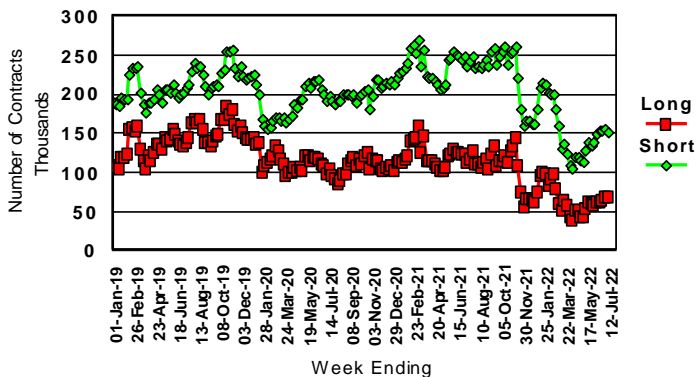
Sprague HeatCurve October 2022-April 2023			\$3.3609
		Close	Change
Crude - WTI	Aug Brent-WTI Spread \$5.49	\$101.5300	\$2.2800
Crude - Brent		\$107.0200	\$2.3700
Natural Gas		\$6.0340	-\$0.2630
Gasoline		\$3.4471	\$0.0267



Commitment of Traders Report for the Week Ending July 5, 2022

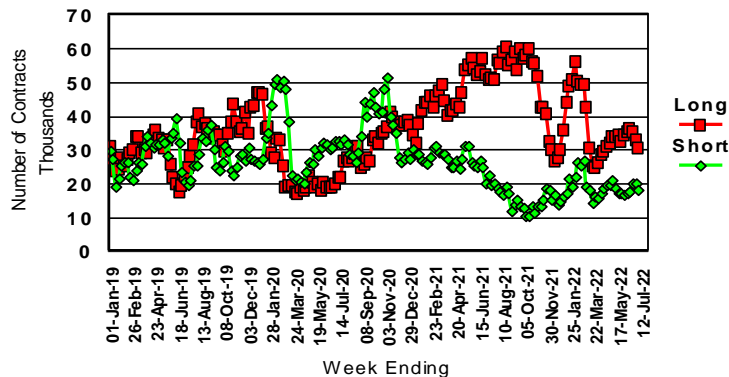
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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