

Market Commentary

Recap: The oil market on Thursday traded in and out of positive territory, ahead of its expiration at the close. The market traded mostly sideways and posted a high of \$76.15 after Ukraine said it would consider any ship heading for Russian Black Sea ports as a potential target. On Wednesday, Russia issued a similar threat, saying it would consider any vessel heading to Ukraine's Black Sea ports to potentially be carrying military supplies. Warnings from both sides threatened to escalate a dispute over grain shipments and broaden the war to the strategic waterway. However, the crude market sold off over \$1.40 from its highs to a low of \$74.72 by mid-day. The market later retraced some of its losses and settled in a sideways trading range ahead of the August WTI contract's expiration at the close. The August WTI contract went off the board up 28 cents at \$75.63, while the September WTI settled up 36 cents at \$75.65 and the September Brent contract settled up 18 cents at \$79.64. The product markets ended the session over 2 cents higher, with the heating oil market settling up 2.26 cents at \$2.6444 and the RB market settling up 2.27 cents at \$2.7432.

Technical Analysis: The oil market is seen remaining in its recent trading range we previously mentioned from \$77.35 to \$73.80, basis a continuation chart, as the market continues to weigh supply and demand outlooks and concerns over the economy. The market is seen finding resistance at its high of \$76.15, \$76.87, \$77.11-\$77.15 and \$77.35. Further upside is seen at \$77.93, \$79.07 and \$79.18. Support is seen at its lows of \$74.52, \$73.82-\$73.78, \$73.38, \$72.94, \$72.63 and \$72.21. More distant support is seen at \$71.22 and \$71.04.

Fundamental News: Two OPEC+ sources said the OPEC+ group's Joint Ministerial Monitoring Committee panel will hold an online meeting on August 4th, a day later than previously scheduled.

The U.S. Senate backed an amendment to an annual defense bill on Thursday that would prohibit exports to China of oil from the SPR. As voting continued, the tally was 68 to 13 in favor of the measure, beyond the 60 votes needed in the 100-member Senate to add the amendment to the National Defense Authorization Act.

Wood Mackenzie said the current global annual investment of around \$500 billion into upstream oil and gas would be sufficient to meet peak oil demand in the 2030s, contrary to widespread belief of under-investment in the sector. It stated that current expenditure could deliver the supply needed to meet demand peaks due to "the development of giant low-cost oil resources, relentless capital discipline and a transformational improvement in investment efficiency". It said it expected oil demand to peak at 108 million bpd in the early 2030s before beginning its long-term decline, with fuel efficiency, electric vehicles, and natural gas substitution taking over eventually.

Kpler ship tracking data is currently showing the U.S. is importing 330,000 b/d of gasoline from Europe so far in July, down from the 450,000 b/d recorded in June. It appears European gasoline exports are being diverted to West Africa, as West Africa appears to be importing some 512,000 b/d from Europe in July versus the 377,000 b/d imported in June.

The EPA reported that the U.S. generated 674 million biodiesel blending credits in June, down from 750 million credits in May. It also reported that the U.S. generated 1.28 billion ethanol blending credits in June, unchanged on the month.

Early Market Call - as of 8:45 AM EDT

WTI - September \$76.75, up \$1.10
 RBOB - August \$2.7904, up 4.72 cents
 HO - August \$2.7328, up 6.84 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-23	2.6644	0.0226	0.0540
Sep-23	2.6574	0.0219	0.0528
Oct-23	2.6468	0.0214	0.0484
Nov-23	2.6279	0.0205	0.0403
Dec-23	2.6060	0.0196	0.0324
Jan-24	2.5904	0.0191	0.0263
Feb-24	2.5720	0.0180	0.0216
Mar-24	2.5479	0.0164	0.0180
Apr-24	2.5178	0.0146	0.0152
May-24	2.4973	0.0133	0.0148
Jun-24	2.4816	0.0125	0.0154
Jul-24	2.4747	0.0119	0.0162
Aug-24	2.4701	0.0115	0.0163
Sep-24	2.4661	0.0113	0.0159
Oct-24	2.4626	0.0110	0.0145
Nov-24	2.4572	0.0106	0.0134
Dec-24	2.4500	0.0103	0.0124

Sprague HeatCurve October 2023-April 2024

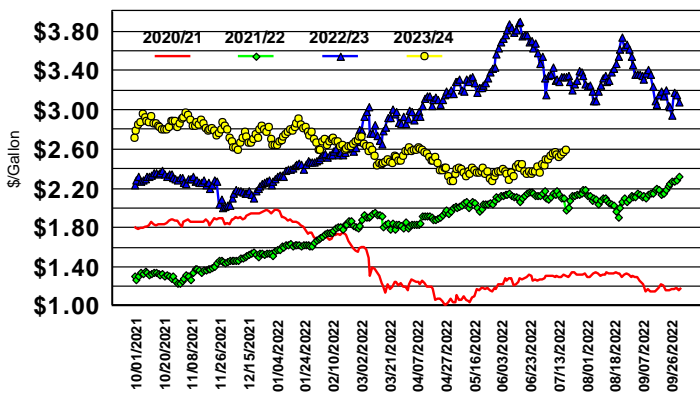
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$3.99	\$75.6500	\$0.3600
Crude - Brent		\$79.6400	\$0.1800
Natural Gas		\$2.7570	\$0.1540
Gasoline		\$2.7432	\$0.0227

EIA Working Gas Storage Report

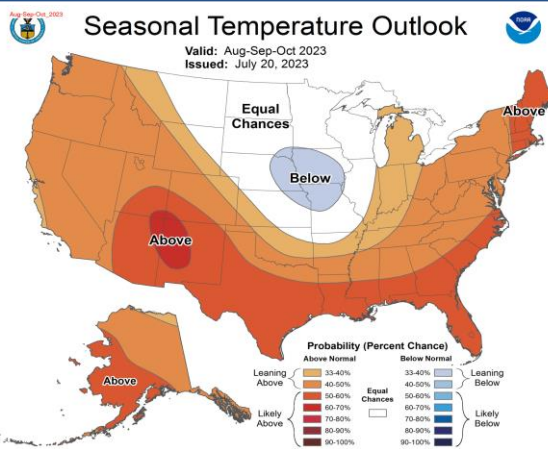
	14-Jul-23	07-Jul-23	Change	14-Jul-22
East	661	653	8	518
Midwest	741	724	17	605
Mountain	186	180	6	144
Pacific	232	225	7	252
South Central	1150	1147	3	876
Salt	321	323	-2	208
Nonsalt	829	824	5	669
Total	2971	2930	41	2,396

Sprague HeatCurve October-April

Sprague HeatCurve October-April



August-September-October Outlook



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