

Market Commentary

Recap: Oil futures rose by almost 6% on Friday as attention turned to next week's OPEC+ meeting and dimming expectations that the producer group will boost supply. Gains were pared after Baker Hughes showed that U.S. drillers added crude rigs for a record 23 months in a row, indicating more supply is to come. Stronger stock markets supported oil on Friday, as did a weaker dollar, which makes oil cheaper for buyers with other currencies. Meanwhile, front month Brent futures was trading at a premium to deferred contracts, a market condition known as backwardation, indicating tight current supply. For now, all eyes will be on the August 3 meeting between OPEC and its allies. OPEC+ sources have said the group will consider keeping oil output unchanged for September, with two saying a modest increase would be discussed. Analysts said it would be difficult for OPEC+ to boost supply, given that many producers are already struggling to meet production quotas. September WTI finished up 2.3% for the session and a 4.1% weekly gain to \$98.62 a barrel, marking the largest one-week percentage rise since early May. Brent for September delivery lost \$4.80 per barrel, or 4.18% to \$110.01 this month, up \$2.87 or 2.68% on the session. This is the largest one week net gain since the week ending May 27, 2022. RBOB August delivery lost 16.17 cents per gallon, or 4.43% to \$3.4881 this month - Today it is up 2.35 cents or 0.68%, while August heating oil lost 27.35 cents per gallon, or 7.02% to \$3.6247 this month. Today it is down 6.16 cents or 1.67%.

Technical Analysis: At the onset of the week, oil futures fell but quickly turned around, showing signs of life. WTI fought hard to recapture the \$100 level, but its efforts failed. The market has been quite choppy and we expect for this choppiness to continue. The \$100 level holds a certain amount of psychological attachment to it and therefore we would look for continued attempts to breach this level. The September WTI contract has settled above the down ward trend line set at \$96.77, making this level the first line of support, below this level there is support seen at \$90. To the upside, resistance rests at \$100 and above that at \$105 and \$108.

Fundamental News: The EIA reported that U.S. crude oil production in May fell by 57,000 bpd to 11.595 million bpd from a revised level of 11.652 million bpd in April. U.S. crude oil exports increased to 3.442 million bpd in May, up from 3.239 million bpd in April. The EIA also reported that total oil demand in May fell by 0.1% or 17,000 bpd to 20.077 million bpd.

OPEC+ produced almost 3 million bpd less crude than foreseen by its quotas in June amid sanctions imposed on some member and low investment by other producers. Russian Interfax news agency reported that compliance by OPEC and its allies with oil output cut pledges reached 320% in June. It also said that the OPEC+ group's combined oil underproduction was 2.84 million bpd in June.

According to a Reuters survey, a rally in oil prices could stall as recession fears and COVID flare-ups in China slow demand and counter supply risks from sanctions on Russia and OPEC+ output constraints. A survey of 35 economists and analysts forecast Brent crude would average \$105.75/barrel in 2022, down from a forecast of \$106.82/barrel in June marking the first downward revision to the monthly survey since April. The global benchmark has averaged about \$105 a barrel this year. The demand growth forecast for this year was also slashed to a range of 1.4 to 2.5 million bpd from 2.3-5 million bpd in the previous poll. U.S. crude was seen averaging \$101.28/barrel in 2022, down from June's \$102.82/barrel consensus.

Shipping data from commodity tracker Kpler appears to show U.S. exports of USLD/gasoil to Europe in July have been rising and are on track to average 125,000 b/d. June exports averaged 51,000 b/d.

Early Market Call - as of 8:10 AM EDT

WTI - September \$95.41, down \$3.18

RBOB - September \$3.0413, down 7.19 cents

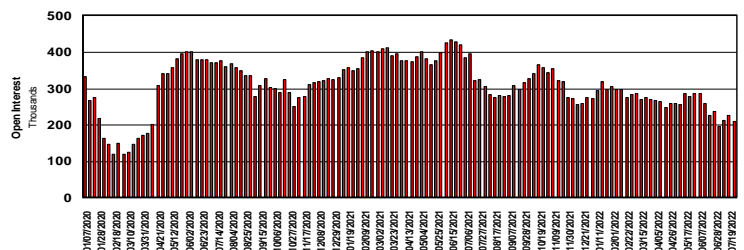
HO - September \$3.4945, down 5.45 cents

All NYMEX | Prior Settlements

Month	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-22	3.6247	-0.0616	0.1691
Sep-22	3.549	-0.0648	0.0934
Oct-22	3.4987	-0.0581	0.1576
Nov-22	3.4509	-0.049	0.1588
Dec-22	3.4032	-0.0388	0.1555
Jan-23	3.3579	-0.0339	0.1489
Feb-23	3.3039	-0.0301	0.1428
Mar-23	3.2371	-0.0265	0.1394
Apr-23	3.1695	-0.0229	0.136
May-23	3.1213	-0.0163	0.127
Jun-23	3.0799	-0.0117	0.1156
Jul-23	3.0576	-0.0102	0.1125
Aug-23	3.0348	-0.0101	0.1104
Sep-23	3.0071	-0.0102	0.1105
Oct-23	2.9785	-0.0122	0.1027
Nov-23	2.9531	-0.0141	0.0945
Dec-23	2.9302	-0.0165	0.0865

Sprague HeatCurve October 2022-April 2023			\$3.3413
		Close	Change
Crude - WTI	Sept Brent- WTI Spread \$11.39	\$98.6200	\$2.2000
Crude - Brent		\$110.0100	\$2.8700
Natural Gas		\$8.2290	\$0.0950
Gasoline		\$3.4881	\$0.0235

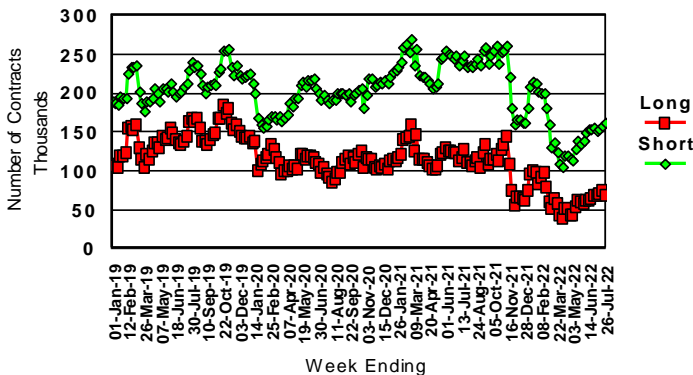
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending July 26, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

