

Market Commentary

Recap: Oil futures rose on Monday following the weekend attack on a Saudi oil facility by Yemen's Houthi forces and a rally in equities from growing expectations that global economies would take action to counteract slowing global growth. In what was a volatile trading session, and after a brief stint trading below unchanged, September WTI rose more than 2%, to trade at a session high of \$56.14 a barrel by 1:33 p.m. EST. The October contract, which will become the spot month after Tuesday's session tacked on \$1.41 or 2.6% to trade at a session high of \$6.23 a barrel. October Brent hit a high of \$59.79 a barrel, a gain of \$1.15, or 1.9%. October Brent settled at \$59.74 a barrel, up \$1.10, or 1.88%. September RBOB settled at \$1.6644 a gallon, up .0076 cents, while September heating oil tacked on .0203 cents to settle at \$1.8331 a gallon.

Technical Analysis: WTI continued to trade sideways within the symmetrical triangle that can be depicted on a daily spot continuation chart, while holding above \$54.56, the 10-day moving average and below \$56.23, the 50-day moving average. With moving oscillators trending higher in neutral territory, we would look for a break above the 50-day average with a run at the 200-day moving average, which is currently set at \$57.44. Above this level additional resistance is set at \$58.22, the top of the aforementioned triangle. Support is set at \$5.00 and below that at \$54.56.

Fundamental News: A drone attack by the Houthi group on an oilfield in eastern Saudi Arabia on Saturday caused a fire at a gas plant, adding to tension in the Middle East. However Saudi Aramco said oil production was not affected.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in June fell to 6.72 million bpd from 6.94 million bpd in May.

Exxon Mobil Corp said production at its Hibernia oil platform in Canada was shut down after a temporary loss of power on Saturday. Power was restored the same day, but production has not yet resumed.

Oil production at Libya's Sharara oilfield reached around 295,000 bpd. The oilfield resumed production earlier this month having faced two unplanned shutdowns.

Iran's Foreign Minister, Mohammad Javad Zarif, said Iran is not interested in talks with Washington, but any mediation should focus on bringing the US back to the 2015 nuclear deal which it left last year.

The Iranian tanker caught in standoff between Iran and the West was sailing to Greece on Monday after leaving Gibraltar, hours after the British territory rejected a US request to detain the vessel further. British Royal Marines seized the tanker near Gibraltar in July on suspicion it was carrying oil to Syria in violation of European Union sanctions. That led to heightened tensions on international oil shipping routes through the Gulf. The tanker's detention ended last week, but a federal court in Washington on Friday issued a warrant for the seizure of the tanker. Gibraltar said on Sunday it could not comply with that request because it was bound by EU law. Meanwhile, a senior Iranian official said the crisis in Iran's ties with Britain would not be over until the tanker reached its destination. Iran said any US attempt to seize the tanker would have "heavy consequences."

IIR Energy reported that US oil refiners are expected to shut in 59,000 bpd of capacity in the week ending August 23rd, increasing available refining capacity by 155,000 bpd from the previous week. Offline capacity is expected to remain unchanged at 59,000 bpd in the week ending August 30th.

Early Market Call - as of 8:30 AM EDT

WTI - Sep \$56.22, down 7 cents

RBOB - Sep \$1.6714, up 77 points

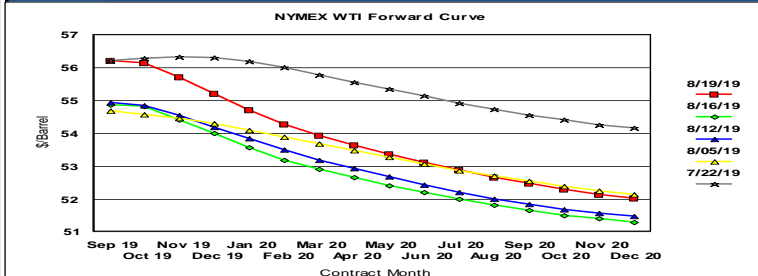
HO - Sep \$1.8419, up 85 points

All NYMEX | Prior Settlements

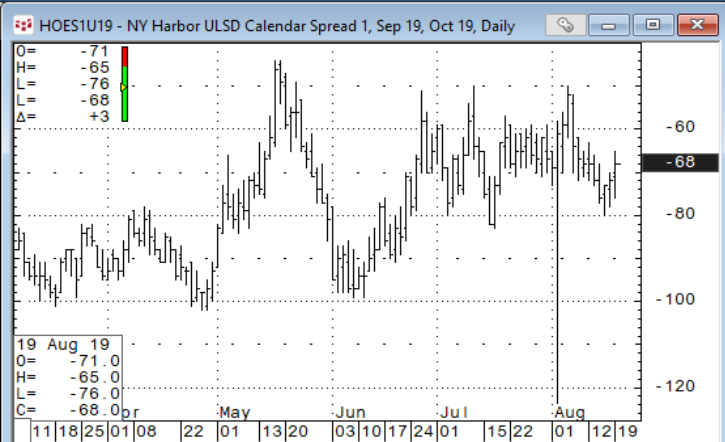
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-19	1.8331	0.0203	0.0273
Oct-19	1.8397	0.0198	0.0272
Nov-19	1.8426	0.0193	0.0266
Dec-19	1.8441	0.0191	0.0253
Jan-20	1.8447	0.0188	0.0238
Feb-20	1.8389	0.0186	0.0226
Mar-20	1.8278	0.0189	0.0224
Apr-20	1.8129	0.0191	0.0224
May-20	1.8035	0.0190	0.0216
Jun-20	1.7982	0.0187	0.0206
Jul-20	1.7998	0.0182	0.0194
Aug-20	1.8022	0.0177	0.0183
Sep-20	1.8048	0.0170	0.0176
Oct-20	1.8067	0.0162	0.0167
Nov-20	1.8081	0.0153	0.0159
Dec-20	1.8084	0.0146	0.0151
Jan-21	1.8110	0.0140	0.0143

Sprague HeatCurve Oct 2019-Apr 2020		\$1.8375
Other Front Month NYMEX		Close
Crude - WTI	Oct Brent-	\$56.1400
Crude - Brent	WTI Spread	\$59.7400
Natural Gas	\$3.60	\$2.2100
Gasoline		\$1.6644
		\$0.0076

WTI Forward Curve



NYMEX Heating Oil Sep-Oct Spread



NYMEX RBOB Sep-Oct Spread

