

Market Commentary

Recap: The crude market traded mostly sideways in overnight trading before it breached its previous low and posted a low of \$56.04. The market bounced off that level and rallied to a high of \$57.12. Tuesday night's API report provided some support to the market, with the report showing a larger than expected draw in crude stocks of 5 million barrels on the week. The oil market later erased some of its gains and traded back towards its lows following the release of the mostly bearish EIA petroleum stock report. The EIA reported a smaller than expected draw in crude stocks of 1.08 million barrels, a smaller than expected draw in gasoline stocks of 1.58 million barrels and an unexpected build in distillate stocks. The crude market, however, retraced its losses in afternoon trading ahead of the 4th of July holiday, amid the strength in the US equities market and the Baker Hughes data showing that US oil drillers cut five oil rigs in the week ending July 3rd. The August WTI contract settled up \$1.09 at \$57.34, while the September Brent contract settled up \$1.42 at \$63.82. The product markets also settled in positive territory, with the heating oil contract settling up 1.24 cents at \$1.8987 and the RBOB contract settling up 4.64 cents at \$1.9167.

Technical Analysis: The oil market on Friday is seen trading within its recent trading range from about \$56 to \$60. The market is seen holding its support level at its low of \$56.09, while resistance is seen at \$57.44, \$59.43 and \$60.28.

Fundamental News: Iran's President, Hassan Rouhani, said Iran will increase its uranium enrichment after July 7th to whatever levels it needs beyond the limit set in the 2015 nuclear accord. Iran announced this week it had stockpiled more low-enriched uranium than is permitted under the agreement. Iran's President said that if the other signatories do not protect trade with Iran promised under the deal, Iran would begin to restart its Arak heavy-water reactor after July 7th. Under the accord, Iran said in January 2016 that it had removed the core of the reactor and filled it with cement. He kept the door open to negotiations, saying Iran would again reduce its stockpile of enriched uranium below the 300-kilogram limit set by the nuclear pact if signatories Britain, France, Germany, Russia and China honored their deal pledges.

France's Foreign Ministry said Iran will gain nothing by departing from the terms of its nuclear agreement, as it responded to Iran's declaration that it will increase the enrichment level of its uranium.

IIR Energy reported that US oil refiners are expected to shut in 182,000 bpd of capacity in the week ending July 5th, increasing available refining capacity by 472,000 bpd from the previous week. Offline capacity is expected to fall to 66,000 bpd in the week ending July 12th.

Gasoline exports from Europe to the US East Coast increased in early July after a fire at Philadelphia Energy Solutions' 335,000 bpd oil refining complex. The refinery is set to permanently shut down after it was hit by a massive fire on June 21st. About 18 tankers carrying a gasoline cargo of 37,000 tons, totaling 666,000 tons, or 5.62 million barrels, have been booked out of Europe on the transatlantic route in the first 10 days of July. Refinitiv Eikon reported that Europe sent 1.3 million tons of gasoline to the US East Coast in June and 1.4 million ton in May.

According to foreign trade data from the US Census Bureau, US crude oil exports reached 2.9 million bpd in May, up from 2.843 million bpd in April.

Baker Hughes reported that the number of rigs searching for oil fell by 5 in the week ending July 3rd to 788.

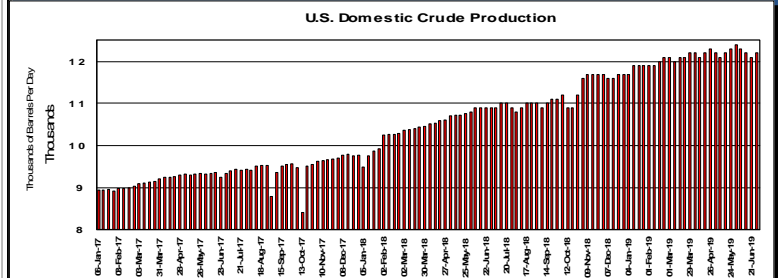
Early Market Call - as of 9:11 AM EDT

WTI - Aug \$56.67 down 67 cents
 RBOB - Aug \$189.92 down 1.75 cents
 HO - Aug \$1.8816 down 1.71 cents

All NYMEX | Prior Settlements

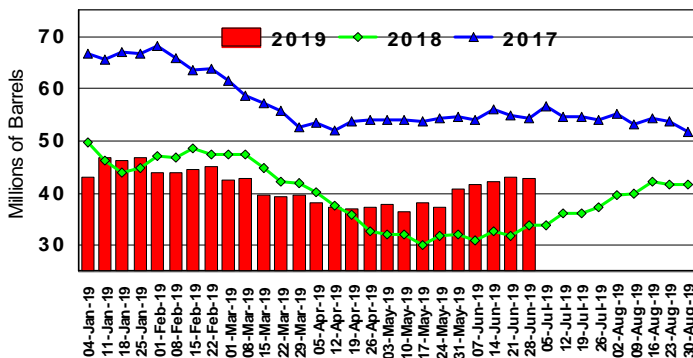
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-19	1.8987	0.0124	-0.0795
Sep-19	1.9063	0.0128	-0.0789
Oct-19	1.9141	0.0137	-0.0766
Nov-19	1.9205	0.0142	-0.0743
Dec-19	1.924	0.0142	-0.0723
Jan-20	1.9255	0.0143	-0.0711
Feb-20	1.9208	0.0143	-0.07
Mar-20	1.9123	0.0145	-0.0684
Apr-20	1.8989	0.0147	-0.0662
May-20	1.89	0.0147	-0.0648
Jun-20	1.8849	0.0144	-0.0635
Jul-20	1.8856	0.0146	-0.0627
Aug-20	1.8877	0.0148	-0.0615
Sep-20	1.8907	0.0151	-0.0597
Oct-20	1.8926	0.0154	-0.058
Nov-20	1.8939	0.0154	-0.0573
Dec-20	1.8934	0.0155	-0.0571

Sprague HeatCurve Oct 2019-Apr 2020		\$1.9186
Other Front Month NYMEX	Close	Change
Crude - WTI	\$57.4400	\$1.1000
Crude - Brent	\$63.8200	\$1.4200
Natural Gas	\$6.38	\$0.0500
Gasoline	\$1.9167	\$0.0464



Weekly EIA Petroleum Status Report for the Week Ending June 28, 2019

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.085 million barrels
 Cushing, OK Crude Stocks Up 652,000 barrels
 Gasoline Stocks Down 1.583 million barrels
 Distillate Stocks Up 1.408 million barrels
 Refinery % Operated 94.2%, unchanged

PADD #1

Distillate Stocks (in million bbls)	Week Ending June 28, 2019	Week Ending June 21, 2019	Week Ending June 29, 2018
New England	5.6	5.6	4.9
Central Atlantic	24.9	23.8	15.6
Total PADD #1	42.8	43.1	33.8
Distillate Imports (thousands b/d)	81	20	62