

## Market Commentary

**Recap:** The oil market on Friday posted its first weekly gain in a month as it settled up 3.87%, despite it ending the session down 0.22% on the day. It continued to trade sideways ahead of the weekend, remaining within a trading range from \$77.67 to \$79.32 seen in the previous two sessions. The market continued to trade lower in overnight trading as it remained focused on the unexpected inventories builds reported by the EIA and the bearish IEA report earlier this week and the hawkish signals from the Federal Reserve. The market posted a low of \$77.73 in overnight trading before it retraced some of its losses and posted a high of \$79.15 early in the morning. The market failed to remain supported as U.S. consumer sentiment weakened in June to a seven month low as inflation and income concerns linger. The market later traded back towards the \$78.00 level and settled in a sideways trading range during the remainder of the session. The July WTI contract ended the session down 17 cents at \$78.45 and the August Brent contract ended the session down 13 cents at \$82.62. The product markets also ended the session lower, with the heating oil market settling down 1.62 cents at \$2.4706 and the RB market settling down 1.6 cents at \$2.3996.

**Technical Analysis:** The crude market is seen remaining in its recent sideways trading range from \$77.00 to \$80.00 as it remains driven by the bearish inventory reports and the expectations that interest rate cuts by the Federal Reserve are unlikely before December. The market is seen finding resistance at its high of \$79.15, \$79.32, \$79.42 followed by \$80.62 and \$80.93. Meanwhile, support is seen at its low of \$77.73, \$77.67 and \$77.22. Further support is seen at \$76.71, \$75.90, \$75.23-\$75.21 and \$75.09.

**Fundamental News:** Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating to the lowest level since January 2022. The oil and gas rig count fell by four to 590 in the week ending June 14<sup>th</sup>. Baker Hughes said oil rigs fell by four to 488 this week, also their lowest since January 2022, while gas rigs were unchanged at 98, which was the lowest since October 2021.

The North Dakota Industrial Commission reported that oil production in North Dakota increased by 12,000 bpd to 1,241,000 bpd in April. Bakken and Three Forks oil production stood at 1,208,000 bpd in the month.

The EIA reported that U.S. crude oil refining capacity increased by 1.5% to 18.38 million bpd this year as a major new expansion in Texas increased capacity. The gain was a second consecutive year of increases due to expansions at existing operations.

IIR Energy reported that U.S. oil refiners are expected to shut in about 97,000 bpd of capacity in the week ending June 14<sup>th</sup>, increasing available refining capacity by 85,000 bpd. Offline capacity is expected to fall to 92,000 bpd in the week ending June 21<sup>st</sup> and to 85,000 bpd in the week ending June 28<sup>th</sup>.

Colonial Pipeline Co is allocating space for Cycle 36 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

U.S. consumer sentiment deteriorated in June as households worried about inflation and incomes. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 65.6 in June, compared to a final reading of 69.1 in May. The survey's reading of one-year inflation expectations was unchanged at 3.3%. Its five-year inflation outlook increased to 3.1% from 3% in May.

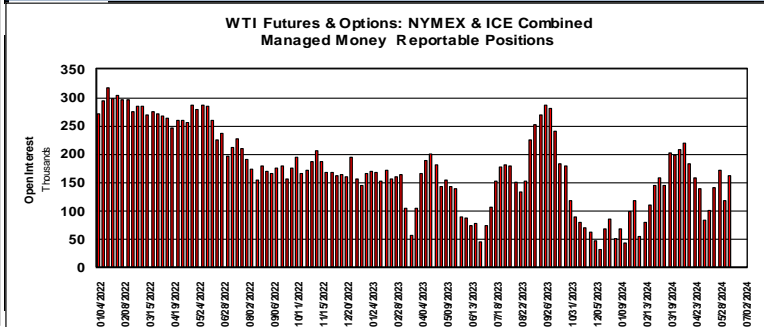
**Early Market Call - as of 8:30 AM EDT**

WTI - July \$78.96, up 51 cents  
 RBOB - July \$2.4203, up 2.07 cents  
 HO - July \$2.4827, up 1.21 cents

## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-24	2.4706	-0.0162	0.1189
Aug-24	2.4839	-0.0128	0.1155
Sep-24	2.4958	-0.0136	0.1104
Oct-24	2.5031	-0.0137	0.1055
Nov-24	2.5024	-0.0139	0.0993
Dec-24	2.4983	-0.0135	0.0938
Jan-25	2.5005	-0.0136	0.0895
Feb-25	2.4952	-0.0134	0.0859
Mar-25	2.4808	-0.0130	0.0827
Apr-25	2.4592	-0.0127	0.0798
May-25	2.4452	-0.0130	0.0766
Jun-25	2.4353	-0.0135	0.0734
Jul-25	2.4328	-0.0142	0.0702
Aug-25	2.4317	-0.0147	0.0672
Sep-25	2.4319	-0.0153	0.0643
Oct-25	2.4303	-0.0161	0.0608
Nov-25	2.4248	-0.0161	0.0578

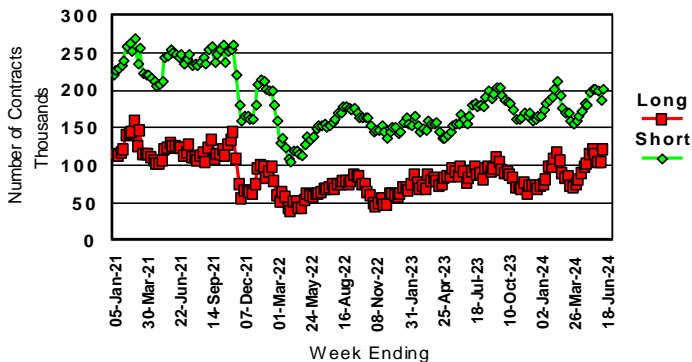
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Aug Brent-WTI Spread \$4.57	\$78.0500	-\$0.2100
Crude - Brent		\$82.6200	-\$0.1300
Natural Gas		\$2.8810	-\$0.0780
Gasoline		\$2.3996	-\$0.0160



## Commitment of Traders Report for the Week Ending June 11, 2024

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

