

Market Commentary

Recap: The crude market ended the session lower as market sentiment was weighed down by weak U.S. gasoline demand. The market remained well supported in overnight trading and continued its upward trend after it breached Thursday's high of \$82.04 as cross border strains between Israel and Lebanon's Hezbollah escalates. The French foreign ministry had expressed concerns over the situation in Lebanon. The market was also supported by the U.S. National Hurricane Center tracking at least one weather system that could become a cyclone and head towards the U.S. Gulf Coast in the coming days. The market rallied to a high of \$82.72 early in the morning. The market, however, erased its gains and traded to its low of \$80.97, despite a flat reading of the Personal Consumption Expenditures price index, which increased hopes for rate cuts in September. The market remained pressured as the EIA's monthly report showed gasoline demand in April falling to its lowest level since February. The market later bounced off its low and settled in a sideways trading range ahead of the close. The August WTI contract ended the session down 20 cents at \$81.54, while the August Brent contract ended up 2 cents at \$86.41. The product markets settled lower, with the heating oil market settling down 3.07 cents at \$2.5169 and the RB market settling down 1.65 cents at \$2.5291.

Technical Analysis: The oil market on Monday is seen retracing some of its recent gains as stochastics, which have been in over bought territory, have crossed to the downside. The market's losses will be limited as traders remain concerned about the geopolitical tension in the Middle East and the possible development of a tropical storm in the U.S. Gulf. The crude market is seen finding resistance at its high of \$82.72, \$82.80 and \$84.00. However, support is seen at \$80.97, \$80.51, \$80.18, \$79.17, \$78.79 and \$77.58.

Fundamental News: A Reuters survey showed that oil prices will not change much in the second half of 2024 as concerns around demand from China and prospects of higher supply from key producers counter risks from geopolitical tensions. A poll of 44 analysts and economists surveyed by Reuters forecast that Brent crude would average \$83.93/barrel in 2024, just shy of the \$84.01/barrel consensus in the previous month's poll. It forecast 2024 U.S. crude at \$79.72/barrel, slightly above May's forecast of \$79.56/barrel. Analysts expect oil demand to increase by between 990,000 and 1.4 million bpd in 2024, slightly above the 960,000 bpd forecast by the IEA. On the supply side, meanwhile, most analysts noted that crude production from non-OPEC countries is rising.

According to Baker Hughes, U.S. energy companies this week cut the number of oil and natural gas rigs operating for a fourth consecutive week for the first time since mid-April. The oil and gas rig count fell by seven to 581 in the week ending June 28th, the lowest level since December 2021. It said the number of oil rigs fell by six to 479, the lowest level since December 2021, while gas rigs fell by one to 97, the lowest level since 2021.

The EIA reported that U.S. crude oil production in April increased by 72,000 bpd to 13.248 million bpd from a revised output level in March of 13.176 million bpd. U.S. crude oil exports in March fell to 4.1 million bpd from 4.312 million bpd in March, while refined oil product exports fell to 2.975 million bpd in April from 3.097 million bpd in March. U.S. shipments of crude oil via rail in April increased by 27,000 bpd on the month to 300,000 bpd. The EIA reported that U.S. total oil demand in April fell 0.1% or 29,000 bpd on the year to 20.008 million bpd. U.S. gasoline demand fell by 1.8% or 165,000 bpd to 8.831 million bpd and U.S. distillate demand fell by 2.5% or 99,000 bpd to 3.801 million bpd.

IIR Energy said U.S. oil refiners are expected to shut in about 164,000 bpd of capacity in the week ending June 28th, decreasing available refining capacity by 11,000 bpd.

Colonial Pipeline Co is allocating space for Cycle 39 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Early Market Call - as of 8:30 AM EDT

WTI - August \$82.04, up 50 cents

RBOB - August \$2.5336, up 3.21 cents

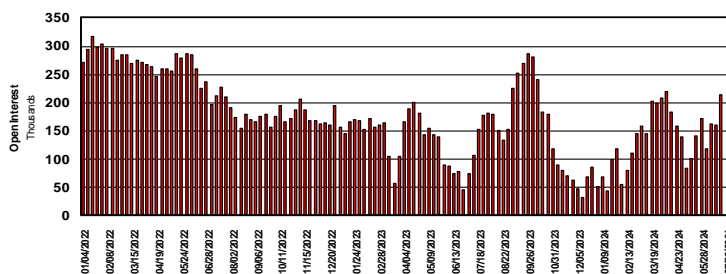
HO - August \$2.5559, up 2.28 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-24	2.5169	-0.0307	0.0254
Aug-24	2.5331	-0.0298	0.0230
Sep-24	2.5489	-0.0270	0.0224
Oct-24	2.5578	-0.0231	0.0216
Nov-24	2.5574	-0.0208	0.0216
Dec-24	2.5516	-0.0198	0.0209
Jan-25	2.5520	-0.0186	0.0212
Feb-25	2.5453	-0.0173	0.0215
Mar-25	2.5315	-0.0160	0.0219
Apr-25	2.5101	-0.0149	0.0219
May-25	2.4952	-0.0142	0.0217
Jun-25	2.4835	-0.0135	0.0212
Jul-25	2.4809	-0.0126	0.0216
Aug-25	2.4799	-0.0117	0.0220
Sep-25	2.4802	-0.0114	0.0222
Oct-25	2.4797	-0.0110	0.0226
Nov-25	2.4746	-0.0107	0.0230

Sprague HeatCurve October 2024-April 2025		\$2.5449
	Close	Change
Crude - WTI	\$81.5400	-\$0.2000
Crude - Brent	\$86.4100	\$0.0200
Natural Gas	\$2.6010	-\$0.0840
Gasoline	\$2.5291	-\$0.0165

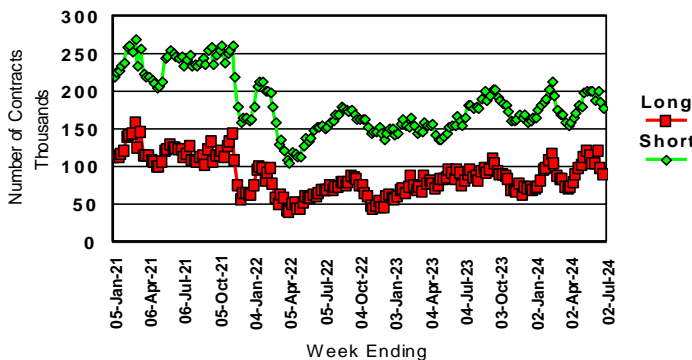
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending June 25, 2024

Producer/Merchant Heat Positions

CFTC Commitment of Traders Report



Managed Money Heat Positions

CFTC Commitment of Traders Report

