

## Market Commentary

**Recap:** The oil market erased its recent gains and posted a weekly decline of 1.71% amid concerns about demand and the expectation of increased supply from OPEC+. The market traded to a high of \$76.59 in overnight trading before it gave up some of its previous gains. The crude market sold off more than \$2.40 as it sold to a low of \$73.48 in afternoon trading. It retraced more than 62% of its move from a low of \$71.46 to a high of \$77.60. The market was pressured after sources stated that OPEC+ is set to proceed with its decision to start unwinding its output cuts in October. The October WTI contract settled down \$2.36 or 3.11% at \$73.55 and the October Brent contract settled down \$1.14 or 1.43% at \$78.80. The product markets ended the session lower, with the September heating oil contract going off the board down 3.25 cents at \$2.2515 and the September RB contract expiring down 3.6 cents at \$2.2117.

**Technical Analysis:** The crude market on Tuesday, following the long Labor Day holiday, will continue to trade within its recent trading range from \$71.00 to \$78.00. The market will continue to weigh the continuing geopolitical crisis in the Middle East, the output cuts in Libya against the prospect of increased supply from OPEC+ and concerns over demand. The market is seen finding support at its low of \$73.48, \$72.83, 71.58, \$71.46, \$70.80 and \$70.00. Meanwhile, resistance is seen at its high of \$76.59, \$76.91, \$77.48, \$77.60, \$78.43 and \$78.54.

**Fundamental News:** The EIA reported that U.S. oil consumption slowed in June to the lowest seasonal levels since the coronavirus pandemic of 2020. Product supplied of crude oil and petroleum products in June fell 2.7% on the month and 2.3% on the year to 20.25 million bpd in June. The sharp decline in June comes after consumption increased in May to the highest since Aug 2019. U.S. distillate demand in June fell by 4.9% on the month and 9.2% on the year to 3.59 million bpd, the lowest level since July 2023. Gasoline demand fell 1.7% month over month to 9.12 million bpd in June. U.S. crude oil production in the country increased by 25,000 bpd from May to 13.21 million bpd in June. May output was revised higher by 11,000 bpd from the numbers reported last month.

U.S. energy firms this week cut the number of oil and natural gas rigs operating for a third consecutive week for the first time since late June. Baker Hughes reported that the oil and gas rig count fell by two to 583 in the week ending August 30<sup>th</sup>, to their lowest since June. Baker Hughes said oil rigs were unchanged at 483 this week, while gas rigs fell by two to 95, the lowest level since April 2021.

Sources stated that OPEC+ is set to proceed with a planned oil output increase starting in October, as Libyan outages and pledged cuts by some members to compensate for overproduction counter the impact of lower demand. Eight OPEC+ members are scheduled to increase their output by 180,000 bpd in October, as part of a plan to begin unwinding their most recent layer of output cuts of 2.2 million bpd while keeping other cuts in place until end-2025.

Libya's National Oil Corporation said that recent oilfield closures have caused the loss of about 63% of the country's total oil production, as a conflict between rival eastern and western factions continues.

IIR Energy said U.S. oil refiners are expected to shut in about 425,000 bpd of capacity in the week ending August 30<sup>th</sup>, increasing available refining capacity by 50,000 bpd. Offline capacity is expected to fall to 263,000 bpd in the week ending September 6<sup>th</sup> and to 559,000 bpd in the week ending September 13<sup>th</sup>.

**Early Market Call - as of 8:20 AM EDT**

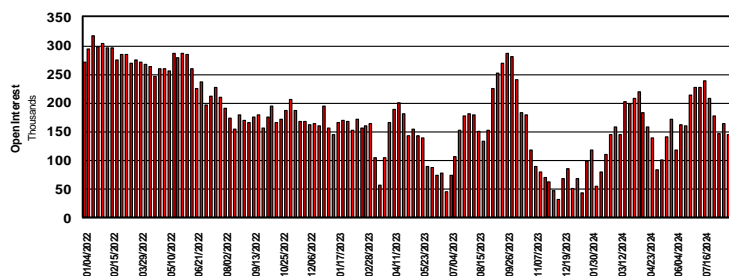
WTI - Oct \$72.82, down 73 cents  
 RBOB - Oct \$2.0522, down 4.1 cents  
 HO - Sep \$2.2665, down 1.18 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.2515	-0.0325	-0.0482
Oct-24	2.2783	-0.0343	-0.0398
Nov-24	2.2927	-0.0363	-0.0355
Dec-24	2.3014	-0.0367	-0.0323
Jan-25	2.3084	-0.0376	-0.0316
Feb-25	2.3063	-0.0376	-0.0317
Mar-25	2.2949	-0.0372	-0.0310
Apr-25	2.2806	-0.0371	-0.0298
May-25	2.2721	-0.0370	-0.0294
Jun-25	2.2672	-0.0364	-0.0289
Jul-25	2.2724	-0.0362	-0.0291
Aug-25	2.2784	-0.0360	-0.0296
Sep-25	2.2849	-0.0357	-0.0305
Oct-25	2.2907	-0.0355	-0.0305
Nov-25	2.2905	-0.0352	-0.0308
Dec-25	2.2858	-0.0348	-0.0310
Jan-26	2.2841	-0.0347	-0.0315

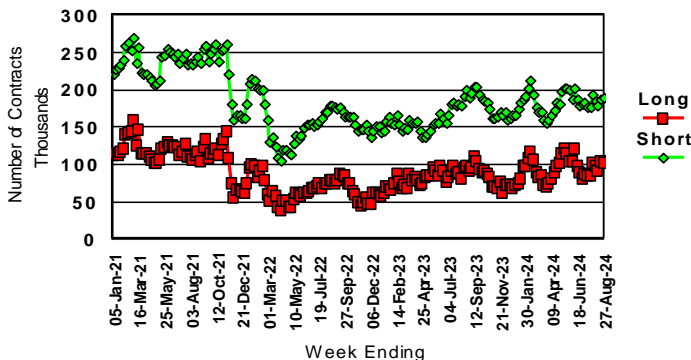
Sprague HeatCurve October 2024-April 2025			\$2.2983
		Close	
Crude - WTI	Oct Brent- WTI Spread \$5.25	\$73.5500	-\$2.3600
Crude - Brent		\$78.8000	-\$1.1400
Natural Gas		\$2.1270	-\$0.0100
Gasoline		\$2.2117	-\$0.0360

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



## Commitment of Traders Report for the Week Ending August 27, 2024

Producer/Merchant Heat Positons  
CFTC Commitment of Traders Report



Managed Money Heat Positons  
CFTC Commitment of Traders Report

