

Market Commentary

Recap: Oil prices continued to rebound on Friday, supported by a drop in European inventories and expectations OPEC would increase output cuts despite the IEA reporting demand growth at its lowest since the financial crisis of 2008. October Brent gained \$1.72, or 3%, to trade at a session high of \$59.10 a barrel, while September WTI reached a high of \$54.92 a barrel, for a gain of \$2.38, or 4.5%. Oil prices rose after Euroilstock data showed total crude and product inventories of 16 European nations in July were slightly lower than in June. Light profit ahead of the week trimmed gains. September WTI rose \$1.96, or 3.7%, to end at \$54.50 a barrel. This contract ended the week with a 2.1% loss. October Brent rose \$1.15, or 2%, to settle at \$58.53 a barrel, for a 5.4% weekly decline. September RBOB rose 2.83 cents, or 1.7%, to close at \$1.674 a gallon, but saw a 6% weekly fall. September heating oil settled at \$1.808 a gallon, rising 1.8% Friday but suffered a 4.4% weekly decline.

Technical Analysis: With the latest slump in prices a bit overdone to the downside, September WTI posted gains for the second straight session. This spot contract came roaring back to trade above two key areas it slipped through on its way down, only to be met with resistance set at \$54.96, the 10-day moving average based upon a daily spot continuation chart. With its failure to settle below \$53.40, support provided by the ascending trend line on asymmetrical triangle that can be depicted on a weekly continuation chart; we would look for prices to begin the week trading to the upside. Our initial upside target is \$56.20, with resistance above that at \$57.64. Support rests at \$53.69 and below that at \$52.86.

Fundamental News: Baker Hughes reported that the US oil rig count fell by 6 to 764 in the week ending August 9th.

The IEA said increasing signs of an economic slowdown and the continuing US-China trade war have caused global oil demand to increase at its slowest pace since the financial crisis of 2008. It said that compared with the same month in 2018, global demand fell by 160,000 bpd in May, the second year-on-year decline of 2019. From January to May, oil demand increased by 520,000 bpd, the lowest increase for that period since 2008. It lowered its global demand growth forecasts for 2019 and 2020 to 1.1 million and 1.3 million bpd, respectively. It said global oil supply head steady in July over 100 million bpd but fell below year-earlier levels for the first time since November 2017. Non-OPEC supply increased by 1.4 million bpd year-on-year in July and it's expected to increase by 1.9 million bpd in 2019 and by 2.2 million bpd in 2020. The IEA sees demand for OPEC crude rising in the third quarter to 30.6 million bpd, 940,000 bpd more than it is producing. OECD oil stocks increased by 31.8 million barrels in June to 2.961 billion barrels, 66.9 million barrels over the five-year average.

Russia's Energy Ministry said that Russia had taken into account the possibility of a slowdown in oil demand when it extended a global output cut agreement with OPEC earlier this year. It said the IEA's estimates published earlier on Friday were largely in line with the ministry's own forecasts.

IIR Energy reported that US oil refiners are expected to shut in 74,000 bpd of capacity in the week ending August 9th, increasing available refining capacity by 8,000 bpd on the week.

Euroilstock reported that European refineries cut their crude processing in July by 3.3% on the year but increased by 6.3% on the month to 10.291 million bpd. Total European crude and product inventories in July increased by 0.1% on the year but fell by 1.1% on the month to 1.095 billion barrels.

Early Market Call - as of 8:55 AM EDT

WTI - Sep \$54.73 up 23 cents

RBOB - Sep \$1.6694 down 45 points

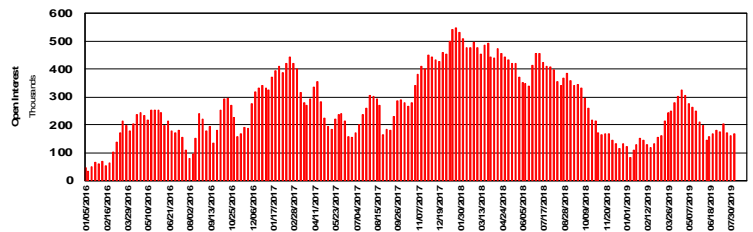
HO - Sep \$1.8048 down 32 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-19	1.8080	0.0314	-0.0822
Oct-19	1.8148	0.0317	-0.0814
Nov-19	1.8182	0.0317	-0.0810
Dec-19	1.8207	0.0318	-0.0792
Jan-20	1.8227	0.0322	-0.0772
Feb-20	1.8180	0.0322	-0.0765
Mar-20	1.8072	0.0318	-0.0767
Apr-20	1.7925	0.0309	-0.0775
May-20	1.7838	0.0295	-0.0761
Jun-20	1.7792	0.0284	-0.0738
Jul-20	1.7817	0.0275	-0.0716
Aug-20	1.7849	0.0266	-0.0702
Sep-20	1.7881	0.0259	-0.0693
Oct-20	1.7908	0.0258	-0.0678
Nov-20	1.7926	0.0252	-0.0673
Dec-20	1.7933	0.0249	-0.0660
Jan-21	1.7965	0.0247	-0.0643

Sprague HeatCurve Oct 2019-Apr 2020		\$1.8153	
Other Front Month NYMEX		Close	Change
Crude - WTI	Oct Brent- WTI Spread	\$54.3700	\$1.9100
Crude - Brent	\$4.16	\$58.5300	\$1.1500
Natural Gas		\$2.1190	-\$0.0090
Gasoline		\$1.6740	\$0.0283

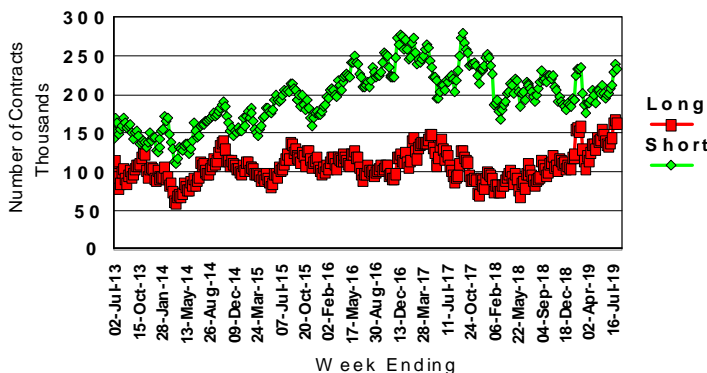
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 6, 2019

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

