

Market Commentary

Recap: Oil prices fell as much as 2.4% on Thursday, pressured by growing concerns that a recession is on the horizon amidst U.S-China trade tensions. This follows Wednesday's 3% drop due to the unexpected build in U.S. crude oil inventories. Uncertainty continues to drive this market, with traders caught between weak economic data overseas and its impact on demand, the aforementioned trade war and OPEC+ and their threat to increase output cuts. After bouncing off of its low of \$53.77, September WTI spent a good part of the session trading between the range of \$54.50 and \$55.00 in front of the expiration of the September WTI options at the end of the day. September WTI finished the day down 76 cents, or 1.4%, to settle at \$54.47 a barrel, while October Brent lost \$1.25, or 2.1%, to \$58.23 a barrel. September RBOB declined by 3.9 cents or 2.4% to \$1.6364 a gallon, while September heating oil fell 3.3 cents, or 1.8%, at \$1.8107 a gallon.

Technical Analysis: WTI continues to look for direction and therefore we would look for the market to remain volatile. Volume was moderate, signaling that traders have set their positions, which appear to be somewhat neutral, with a slight tilt to the downside. That being said, we would look for a run at \$52.50, with support set below that at \$51.00. Resistance is set at \$55.00 and above that at \$57.50.

Fundamental News: Norway's Equinor and its partners have started producing oil from the Mariner field in the British North Sea, which is expected to produce more than 300 million barrels of oil over the next 30 years. Mariner is expected to produce annual average plateau rates of about 55,000 bpd and up to 70,000 bpd at peak production. The start-up of the heavy oilfield on the UK Continental Shelf has been delayed several times by technical problems and poor weather conditions.

Gasoline stocks held in independent storage at the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending August 15th increased by 3.08% on the week and by 44.73% on the year to 1.304 million tons. Gasoil stocks fell by 1.26% on the week but increased by 16.26% on the year to 2.91 million tons, while fuel oil stocks fell by 9.9% on the week and by 0.19% on the year to 1.056 million tons.

The US EPA said the US generated 1.33 billion renewable fuel blending credits in July, up from the 1.32 billion renewable fuel blending credits in June. It reported that 400.5 million biodiesel blending credits were generated in July, up from 257.4 million biodiesel blending credits in June.

According to the Gibraltar Chronicle, Gibraltar released the Iranian tanker, Grace 1, which was seized on July 4th on suspicion it was shipping 2.1 million barrels of crude oil to Syria in breach of European Union sanctions. The chief justice of Gibraltar's Supreme Court, Anthony Dudley, said there was no US application currently before the court. Earlier, the US applied on Thursday to seize an Iranian tanker in Gibraltar, halting its expected release at the last minute and preventing a possible swap for a British-flagged tanker held by Iran. A spokesman for the Stena Impero tanker, seized by Iran last month, said the situation remained the same with the Stena Impero and that the company awaited further developments from the UK and Iran.

US President, Donald Trump, said any trade deal the US makes with China must be on US terms, as China prepared to take countermeasures in response to the latest tariffs on \$300 billion of Chinese imports. Earlier, China's Finance Ministry said the country has to take necessary counter-measures to the latest US tariffs. The ministry also said the US tariffs violate a consensus reached by leaders of the two countries and get off the right track of resolving disputes via negotiations.

Early Market Call - as of 8:40 AM EDT

WTI - Sep \$54.89 up 42 cents
 RBOB - Sep \$1.6546 up 1.82 cents
 HO - Sep \$1.8156 up 49 points

All NYMEX | Prior Settlements

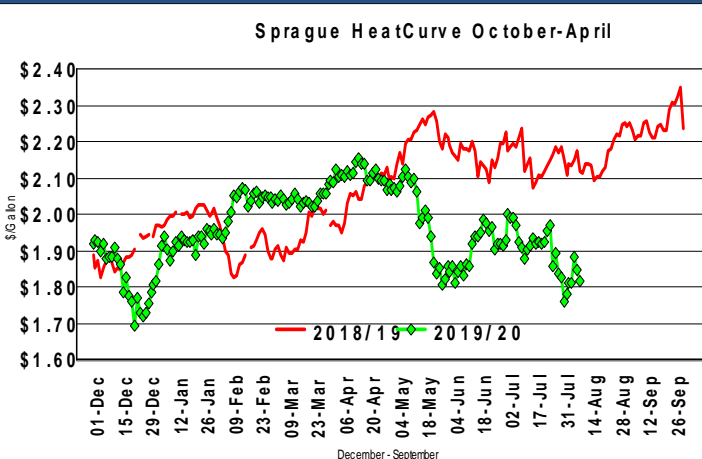
Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-19	1.8107	-0.0330	0.0341
Oct-19	1.8186	-0.0328	0.0355
Nov-19	1.8219	-0.0334	0.0354
Dec-19	1.8234	-0.0339	0.0345
Jan-20	1.8243	-0.0342	0.0338
Feb-20	1.8187	-0.0348	0.0329
Mar-20	1.8073	-0.0347	0.0319
Apr-20	1.7922	-0.0343	0.0306
May-20	1.7832	-0.0339	0.0289
Jun-20	1.7784	-0.0336	0.0276
Jul-20	1.7807	-0.0336	0.0265
Aug-20	1.7838	-0.0334	0.0255
Sep-20	1.7870	-0.0333	0.0248
Oct-20	1.7898	-0.0331	0.0248
Nov-20	1.7919	-0.0330	0.0245
Dec-20	1.7929	-0.0330	0.0245
Jan-21	1.7960	-0.0329	0.0242

Sprague HeatCurve Oct 2019-Apr 2020		Close	Change
Other Front Month NYMEX			
Crude - WTI	Oct Brent-	\$54.4200	-\$0.8300
Crude - Brent	WTI Spread	\$58.2300	-\$1.2500
Natural Gas	\$3.81	\$2.2320	\$0.0890
Gasoline		\$1.6364	-\$0.0394

EIA Working Gas Storage Report

	09-Aug-19	02-Aug-19	Change	Year Ago
East	634	613	21	588
Midwest	729	701	28	601
Mountain	164	161	3	151
Pacific	272	272	0	240
South Central	939	941	-2	803
Salt	214	221	-7	196
Nonsalt	725	719	6	606
Total	2,738	2,689	49	2,381

Sprague HeatCurve October-April



ICE October Brent-WTI Spread

