

## Market Commentary

**Recap:** The crude market on Friday ended lower and posted a third consecutive weekly loss of 1.9% after strong U.S. jobs data lowered expectations of the U.S. Federal Reserve cutting interest rates soon. The Labor Department data showed U.S. jobs growth increased more than expected in May, keeping the Fed on track to hold off starting to cut interest rates until September, at the earliest. The crude market traded mostly sideways in overnight trading, posting a low of \$75.24, before it continued to trend higher, supported by Saudi Arabia and Russia indicating their readiness to pause or reverse oil output increases. However, the market, which posted a high of \$76.25, erased its gains and traded back towards its low as the jobs report indicated interest rates would remain higher for a longer time. The market traded mostly sideways during the remainder of the session, with the July WTI contract settling down 2 cents at \$75.53 and the August Brent contract settling down 25 cents at \$79.62. The WTI continued to trade lower in the post settlement period as it sold off to a low of \$75.21. The product markets ended the session in negative territory, with the heating oil market settling down 59 points at \$2.3517 and the RB market settling down 1.49 cents at \$2.3826.

**Technical Analysis:** The oil market will continue to trade mostly sideways as the market weighs supply and demand news following the recent OPEC+ comments against the economic news and the expectations of when the Federal Reserve will cut interest rates. Technically, the daily stochastics are trending sideways as the market continues to trade within its recent trading range. The market is seen finding resistance at its high of \$76.25, \$76.55 and \$77.51. Further upside is seen at \$78.62, \$79.42 and \$80.62. Meanwhile, support is seen at its low of \$75.21, \$74.06, \$72.82 and \$72.48.

**Fundamental News:** The U.S. Energy Department is seeking to purchase 6 million barrels of oil to replenish the SPR. The department announced two new solicitations for delivery to the SPR's Bayou Choctaw site from September through December.

Oil consultants FGE estimates that global on-land inventories of oil products, including gasoline and distillate, increased by over 16.5 million barrels from April levels. FGE noted typically global inventories drop by 3.5 million barrels during May.

Russia's Deputy Prime Minister, Alexander Novak, said oil demand will grow by more than 1 million barrels per day annually over the next ten years. He said to ensure balance in the market, it was necessary to increase supply. Separately, Russia's Deputy Prime Minister said there is no shortage of fuel on Russia's domestic market and prices have fallen. He said the government will consider extending the export permit for petrol at the end of June.

Baker Hughes reported that U.S. energy firms cut the number of oil and natural gas rigs operating to the lowest level since January 2022. It said the oil and gas rig count fell by six to 594 in the week ending June 7<sup>th</sup>, falling for the second time in three weeks. It said oil rigs fell by four to 492 this week, also the lowest since January 2022, while gas rigs fell by two to 98, the lowest level since October 2021.

IIR Energy reported that U.S. oil refiners are expected to shut in about 137,000 bpd of capacity in the week ending June 7<sup>th</sup>, cutting available refining capacity by 33,000 bpd. Offline capacity is expected to fall to 66,000 bpd in the week ending June 14<sup>th</sup> and increase to 83,000 bpd in the week ending June 21<sup>st</sup>.

Colonial Pipeline Co is allocating space for Cycle 35 on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

**Early Market Call - as of 8:25 AM EDT**

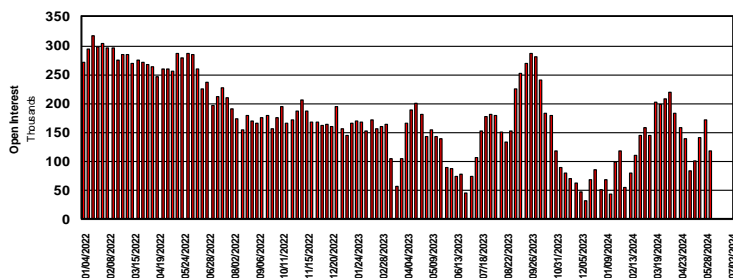
WTI - July \$76.33, up 80 cents  
 RBOB - July \$2.3993, up 1.67 cents  
 HO - July \$2.3855, up 3.38 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-24	2.3517	-0.0059	-0.0325
Aug-24	2.3684	-0.0057	-0.0352
Sep-24	2.3854	-0.0061	-0.0366
Oct-24	2.3976	-0.0063	-0.0372
Nov-24	2.4031	-0.0062	-0.0375
Dec-24	2.4045	-0.0059	-0.0378
Jan-25	2.4110	-0.0051	-0.0363
Feb-25	2.4093	-0.0048	-0.0351
Mar-25	2.3981	-0.0046	-0.0345
Apr-25	2.3794	-0.0045	-0.0358
May-25	2.3686	-0.0039	-0.0366
Jun-25	2.3619	-0.0042	-0.0378
Jul-25	2.3626	-0.0039	-0.0372
Aug-25	2.3645	-0.0036	-0.0362
Sep-25	2.3676	-0.0033	-0.0347
Oct-25	2.3695	-0.0031	-0.0327
Nov-25	2.3670	-0.0027	-0.0323

Sprague HeatCurve October 2024-April 2025		\$2.4029
	Close	Change
Crude - WTI	\$75.2200	-\$0.2300
Crude - Brent	\$79.6200	-\$0.2500
Natural Gas	\$2.9180	\$0.0970
Gasoline	\$2.3826	-\$0.0149

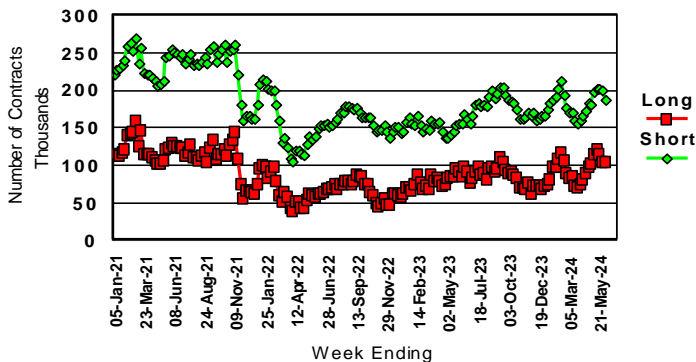
WTI Futures & Options: NYMEX & ICE Combined  
Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending June 4, 2024

### Producer/Merchant Heat Positions

CFTC Commitment of Traders Report



### Managed Money Heat Positions

CFTC Commitment of Traders Report

