

## Market Commentary

**Recap:** On Friday, the oil market ended in negative territory after it traded higher earlier in the session, reaching its highest level since late April. This followed the Independence Day holiday on Thursday, when the market sold off to a low of \$83.02. The market, which saw thin trading during Thursday's holiday shortened session, was pressured amid reports of some positive momentum in securing a ceasefire and hostage release in Gaza, with Israel stating it would resume stalled negotiations with Hamas. However, the crude market bounced off its low on Thursday and retraced its losses. The market continued to trend higher and posted a high of \$84.52 by mid-day Friday before it retraced some of its gains amid the light volume trading ahead of the weekend. The August WTI contract settled down 72 cents at \$83.16 and the September Brent contract settled down 89 cents at \$86.54. The product markets also ended the session in negative territory, with the heating oil market settling down 3.19 cents at \$2.6024 and the RB market settling down 4.22 cents at \$2.5591.

**Technical Analysis:** The crude market on Monday will be driven by any news regarding Hurricane Beryl and any impact it has on oil output in the U.S. Gulf of Mexico as the hurricane is forecast to head towards northeastern Mexico and southern Texas towards the end of the week. It will also remain driven by any news regarding renewed talks between Israel and Hamas on a possible ceasefire agreement. The market is seen finding resistance at its high of \$84.24, \$84.38 and \$85.27. Meanwhile, support is seen at \$83.79, \$83.02, \$82.46, \$82.00, \$81.38, \$80.97, \$80.51, \$80.18 and \$79.82.

**Fundamental News:** Efforts to secure a ceasefire and hostage release in Gaza were gathering momentum on Friday after Hamas made a revised proposal on the terms of a deal and Israel said it would resume stalled negotiations. On Thursday, Israeli Prime Minister Benjamin Netanyahu told U.S. President Joe Biden he would send a delegation to resume negotiations. A source in Israel's negotiating team said there was a real chance of achieving agreement after Hamas made its revised proposal on the terms of a deal, received by Israel on Wednesday. The Israeli response to the Hamas proposal, submitted via mediators, was in contrast to past instances during the nearly nine-month-old war in Gaza, when Israel said conditions attached by the militant Islamist group were not acceptable. A Palestinian official close to the internationally mediated peace efforts told Reuters the new Hamas proposal could lead to a framework agreement if it is embraced by Israel. He said Hamas was no longer demanding as a pre-condition an Israeli commitment to permanently cease fire before the signing of an agreement, and would allow negotiations to achieve that throughout a first six-week phase. The White House said President Biden and Israel's Prime Minister had discussed the response received from Hamas on the possible terms of a deal, and that Biden had welcomed Israel's decision on resuming the stalled talks "in an effort to close out the deal".

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for the first time in seven weeks. The oil and gas rig count increased by four to 585 in the week to July 5<sup>th</sup>. Baker Hughes said oil rigs were unchanged at 479 this week, holding at its lowest since December 2021, while gas rigs increased by four to 101.

Shell said it was evacuating all personnel and completed a safe shut in of production at the Perdido oilfield ahead of Hurricane Beryl. It said there are currently no other impacts on production across the Gulf of Mexico due to Hurricane Beryl. Shell also evacuated all personnel at the Whale development, which is not scheduled to begin operations until later this year.

Chevron Corp said that non-essential personnel from its Gulf of Mexico facilities, including workers at its Anchor platform, are being removed due to approaching Hurricane Beryl. It said production from Chevron-operated assets in the Gulf of Mexico remains at normal levels.

**Early Market Call - as of 8:00 AM EDT**

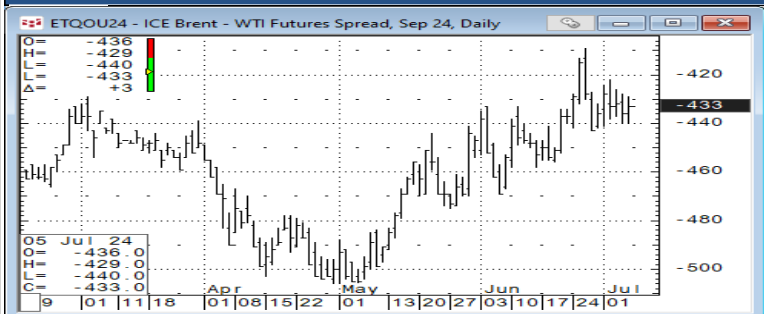
WTI - Aug \$82.47, down 69 cents  
 RBOB - Aug \$2.5452, down 1.39 cents  
 HO - Aug \$2.5774, down 2.5 cents

## All NYMEX | Prior Settlements

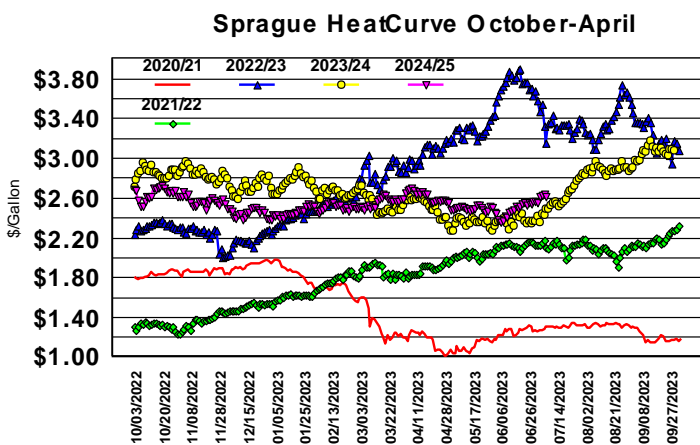
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	2.6024	-0.0319	0.0693
Sep-24	2.6166	-0.0314	0.0677
Oct-24	2.6244	-0.0319	0.0666
Nov-24	2.6226	-0.0320	0.0652
Dec-24	2.6129	-0.0324	0.0613
Jan-25	2.6130	-0.0318	0.0610
Feb-25	2.6057	-0.0313	0.0604
Mar-25	2.5887	-0.0314	0.0572
Apr-25	2.5646	-0.0313	0.0545
May-25	2.5466	-0.0313	0.0514
Jun-25	2.5321	-0.0315	0.0486
Jul-25	2.5279	-0.0313	0.0470
Aug-25	2.5263	-0.0306	0.0464
Sep-25	2.5261	-0.0301	0.0459
Oct-25	2.5261	-0.0292	0.0464
Nov-25	2.5211	-0.0282	0.0465
Dec-25	2.5123	-0.0273	0.0464

Sprague HeatCurve October 2024-April 2025		\$2.6055
		Change
Crude - WTI	\$82.2600	-\$0.8600
Crude - Brent	\$86.5400	-\$0.8900
Natural Gas	\$2.3190	-\$0.0990
Gasoline	\$2.5591	-\$0.0422

### ICE September Brent-WTI Spread



## Sprague Heat Curve October-April



## August WTI



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