

Market Commentary

Recap: The oil market ended lower on Friday as the market weighed the easing of inflation against weaker consumer sentiment. Early in the session, the market continued to trend higher in light of the economic data indicating an easing of inflationary pressure. On Thursday, the CPI report showed that U.S. consumer prices fell in June, increasing the chances that the Federal Reserve will cut interest rates as soon as September. In follow through strength seen in the previous session, the market rallied to a high of \$83.74 in overnight trading. However, the crude market later erased its gains following the release of the consumer confidence report, which stated that consumer confidence fell slightly in June, while their expectations for inflation improved. The August WTI contract remained pressured and posted a low of \$82.10 ahead of the close and settled down 41 cents at \$82.21, while the September Brent contract settled down 37 cents at \$85.03. The product markets ended the session lower, with the heating oil market settling down 9.28 cents at \$2.5096 and the RB market settling down 4.38 cents at \$2.5153.

Technical Analysis: The crude market will continue to trade within its recent trading range as previously mentioned from \$80.00 to \$84.50 as the market continues to weigh the economic news and the demand outlooks recently released. The market is seen finding support at its lows of \$82.10, \$81.63, \$80.81, \$80.51, \$80.18 and \$79.91. Meanwhile, resistance is seen at its high of \$83.74, \$84.52 and \$85.27 and \$86.21.

Fundamental News: U.S. energy firms cut the number of oil and natural gas rigs operating for the fifth time in six weeks. Baker Hughes reported that the oil and gas rig count fell by one to 584 in the week to July 12th. It reported that oil rigs fell by one on the week to 478, the lowest level since December 2021, while natural gas rigs fell by one to 100.

IIR Energy reported that U.S. oil refiners are expected to shut in about 296,000 bpd of capacity in the week ending July 12th, cutting available refining capacity by 187,000 bpd. Offline capacity is expected to fall to 267,000 bpd in the week ending July 19th and further to 216,000 in the week ending July 26th.

Israeli forces retreated from some Gaza City districts overnight after a week-long offensive on Friday. The offensive took place as U.S.-backed mediators sought to finalize a peace deal that would free remaining hostages taken by the militants on October 7th.

On Thursday, U.S. President Joe Biden said the Israel-Gaza war must end now and Israel must not occupy the enclave after the war, telling reporters his ceasefire framework had been agreed on by both Israel and Hamas but there were still gaps to close. CIA Director Bill Burns and U.S. Middle East envoy Brett McGurk were in the Middle East this week meeting with regional counterparts to discuss the ceasefire deal.

ConocoPhillips said it received a second request from the U.S. Federal Trade Commission for information on its proposed acquisition of rival Marathon Oil. ConocoPhillips said both companies received the requests on July 11th and are working with the FTC to review the merger.

The Federal Reserve Bank of Kansas City said oil and gas activity in the U.S. Midwest and Rockies declined during the second quarter, but is expected to rebound over the next six months. The survey covers companies drilling in Kansas, Colorado, Nebraska, Oklahoma and the northern half of New Mexico. According to the survey, oil firms operating in those regions on average make a profit at \$64/barrel oil but need prices to increase to \$91/barrel to substantially increase drilling.

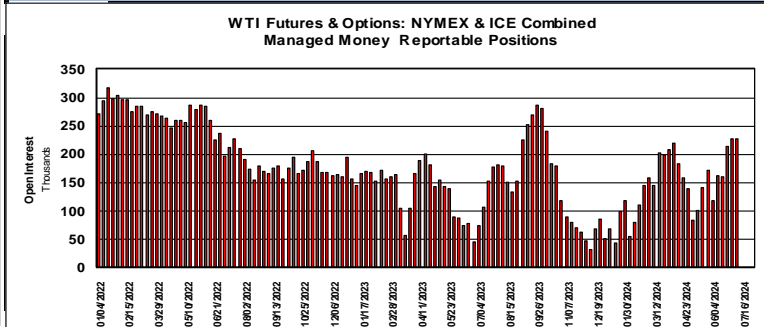
Early Market Call - as of 8:55 AM EDT

WTI - Aug \$82.18, down 3 cents
 RBOB - Aug \$2.5007, down 1.46 cents
 HO - Aug \$2.4996, down 1.00 cent

All NYMEX | Prior Settlements

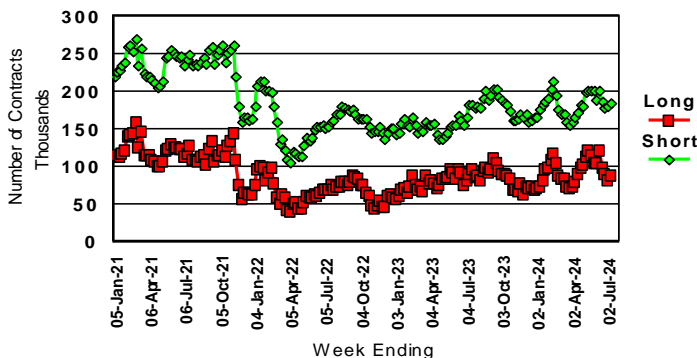
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	2.5096	-0.0086	-0.0928
Sep-24	2.5269	-0.0089	-0.0897
Oct-24	2.5394	-0.0083	-0.0850
Nov-24	2.5420	-0.0086	-0.0806
Dec-24	2.5345	-0.0092	-0.0784
Jan-25	2.5362	-0.0091	-0.0768
Feb-25	2.5324	-0.0086	-0.0733
Mar-25	2.5200	-0.0081	-0.0687
Apr-25	2.4994	-0.0078	-0.0652
May-25	2.4840	-0.0075	-0.0626
Jun-25	2.4722	-0.0070	-0.0599
Jul-25	2.4706	-0.0064	-0.0573
Aug-25	2.4705	-0.0058	-0.0558
Sep-25	2.4713	-0.0055	-0.0548
Oct-25	2.4715	-0.0053	-0.0546
Nov-25	2.4664	-0.0057	-0.0547
Dec-25	2.4578	-0.0057	-0.0545

Sprague HeatCurve October 2024-April 2025		\$2.5304
	Close	Change
Crude - WTI	\$81.0200	-\$0.3600
Crude - Brent	\$85.0300	-\$0.3700
Natural Gas	\$2.3290	\$0.0610
Gasoline	\$2.5153	-\$0.0025



Commitment of Traders Report for the Week Ending July 9, 2024

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

