

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market continued to trend lower as expectations of a ceasefire in Gaza seemed to outweigh the news of a potential September interest rate cut in the U.S. as well as in Europe and supply threats from Canadian wildfires. The market traded mostly sideways as the news of possible interest rate cuts in September helped support the market. It posted a high of \$78.73 before it sold off and breached its previous low of \$77.55. The market retraced more than 62% of its move from a low of \$72.23 to a high of \$83.58 as it sold off to a low of \$76.40 by midday amid efforts to reach a ceasefire deal between Israel and Hamas. President Biden is expected to meet Israeli Prime Minister, Benjamin Netanyahu at the White House on Thursday and are expected to discuss ways to reach a ceasefire. The market later retraced some of its losses and traded in a sideways trading range. The September contract, in its first day as the spot contract, settled down \$1.44 at \$76.96, while the September Brent contract settled down \$1.39 at \$81.01. The product markets ended the session lower, with the heating oil market settling down 2.49 cents at \$2.4099 and the RB market settling down 5.65 cents at \$2.4141.

Technical Analysis: The crude market on Wednesday will be driven by the weekly petroleum stocks reports. The inventory reports are expected to show draws across the board, with a draw of over 2.7 million barrels expected in crude stocks. However, any retracement of its recent losses will be limited as the market awaits the outcome of talks on the Gaza ceasefire. Also, daily stochastics are still trending lower. The oil market is seen finding support at its low of \$76.40, \$76.40 followed by \$75.25, \$74.57-\$74.52 and \$73.44. Meanwhile, resistance is seen at its high of \$78.73, \$79.13, \$79.24 followed by \$80.00, \$80.98, \$81.34 and \$82.27.

Fundamental News: Israeli Prime Minister Benjamin Netanyahu told families of hostages held in Gaza that a deal that would secure their release could be near, as fighting continued in the battered Palestinian enclave. Israeli forces pressed on with a raid into Gaza's southern area of Khan Younis after ordering civilians to evacuate some districts they said had been used for renewed attacks by Palestinian militants. Prime Minister Netanyahu is currently in Washington and is expected to meet U.S. President Joe Biden later this week after making an address to Congress. An Israeli negotiation team was due on Thursday to resume talks that would include hostages being released in return for Palestinian prisoners held in Israeli jails. In a week-long truce in November, 105 hostages were freed in return for 240 Palestinian prisoners.

Russia's Deputy Prime Minister, Alexander Novak, said the country's oil production is close to the quotas agreed within the OPEC+ group of leading oil producers. He did not detail production data. Last month, Russia conceded that its oil production in May had exceeded quotas set by the OPEC+ group of major oil producing countries, while pledging to meet its obligations. Separately, Russian Deputy Prime Minister Alexander Novak said that Russia will reinstate a ban on gasoline exports from August 1st and that it is considering extending the restriction into the autumn.

Goldman Sachs said Canada's oil production has remained largely stable, but the risk that wildfires pose to the industry is increasing. It said the worst of the wildfire season is likely yet to come, and a third of Alberta wildfires are burning out of control, threatening 400,000 bpd of oilsands production. Suncor has been curtailing production in its over 200,000 bpd Firebag field for over two weeks and other producers started to evacuate non-essential workers from the most affected fields, while keeping production stable so far.

Exxon Mobil said Monday its 251,800 b/d Joliet refinery was still awaiting power restoration at the refinery to assess damages after severe storms and a nearby tornado hit the region back on July 15th.

Colonial Pipeline Co is allocating space for Cycle 43 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Early Market Call - as of 8:15 AM EDT

WTI - August \$77.80, up 84 cents

RBOB - August \$2.4453, up 3.12 cents

HO - August \$2.4418, up 3.19 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.4099	-0.0249	-0.0589
Sep-24	2.4271	-0.0258	-0.0571
Oct-24	2.4393	-0.0263	-0.0576
Nov-24	2.4422	-0.0274	-0.0582
Dec-24	2.4376	-0.0284	-0.0578
Jan-25	2.4407	-0.0282	-0.0572
Feb-25	2.4371	-0.0278	-0.0580
Mar-25	2.4236	-0.0279	-0.0600
Apr-25	2.4039	-0.0280	-0.0600
May-25	2.3901	-0.0280	-0.0593
Jun-25	2.3799	-0.0279	-0.0586
Jul-25	2.3808	-0.0270	-0.0572
Aug-25	2.3835	-0.0260	-0.0557
Sep-25	2.3871	-0.0252	-0.0541
Oct-25	2.3903	-0.0245	-0.0526
Nov-25	2.3881	-0.0243	-0.0515
Dec-25	2.3812	-0.0244	-0.0509

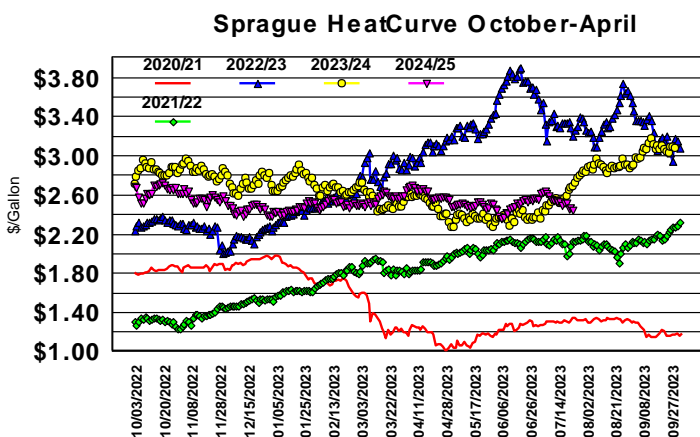
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$4.05	\$76.9600	-\$1.4400
Crude - Brent		\$81.0100	-\$1.3900
Natural Gas		\$2.1870	-\$0.0640
Gasoline		\$2.4141	-\$0.0565

API Report for the Week Ending July 19, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 3.9 million barrels	Down 2.77 million barrels
Gasoline Stocks	Down 2.8 million barrels	Down 1.42 million barrels
Distillate Stocks	Down 1.5 million barrels	Down 240,000 barrels
Refinery Runs		Down 0.4% at 93.3%

Sprague Heat Curve October-April

September WTI



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