

Market Commentary

Recap: The oil market on Monday sold off sharply after Israeli officials said they wanted to avoid the widening of conflict in the Middle East as it responded to a deadly strike by Hezbollah in the Israeli-occupied Golan Heights over the weekend. In overnight trading, the market rallied to a high of \$77.69 as concerns over Middle East tension resumed due to the attack. On Sunday, Israel's security cabinet authorized Prime Minister Benjamin Netanyahu's government to decide on a response to the deadly attack in Israeli-occupied Golan Heights, with Israel vowing retaliation in Lebanon against Hezbollah. However, the market sold off to a low of \$75.35 after two Israeli officials said Israel wanted to hurt Hezbollah but not drag the Middle East into an all-out war. The market later retraced some of its sharp losses ahead of the close. The September WTI contract settled down \$1.35 at \$75.81 and the September Brent contract settled down \$1.35 at \$79.78. The product markets ended the session sharply lower, with the heating oil market settling down 4.47 cents at \$2.3750 and the RB market settling down 4.52 cents at \$2.4153.

Technical Analysis: The crude market on Tuesday will likely trade sideways as the market weighs concerns over the Middle East tension and concerns of weakening demand in China. The market will also position itself ahead of the release of the weekly petroleum stocks reports due on Tuesday evening and Wednesday morning, which are expected to show draws across the board. The market is seen finding support at its low of \$75.35, \$74.57-\$74.52, \$74.00 and \$73.44. Meanwhile, resistance is seen at \$76.15, \$77.37, \$77.69 followed by \$78.60, \$78.73 and \$79.13.

Fundamental News: The U.S. Department of Energy said it had finalized a contract to purchase 4.65 million barrels of crude oil for the Strategic Petroleum Reserve for delivery to the Bayou Choctaw site in Louisiana during the last three months of the year. Exxon Mobil will supply 3.9 million barrels of the contract, while Macquarie Commodities Trading US LLC will supply the rest. The contracts bring the total amount of oil bought to refill the reserve to 43.25 million barrels. The DOE said the average purchase price for the oil is about \$76.92/barrel.

On Sunday, Israel's security cabinet authorized Prime Minister Benjamin Netanyahu's government to decide on the "manner and timing" of a response to a rocket strike at a football field in the Golan Heights that killed 12 teenagers and children. Iran-backed Hezbollah denied responsibility for the attack. Israel has vowed retaliation against Hezbollah in Lebanon and Israeli jets hit targets in southern Lebanon on Sunday. Cabinet Office Minister, Pat McFadden, said an escalation in fighting between Israel and Lebanese militant group Hezbollah could be "much more serious" than the war in Gaza. Later, two Israeli officials said Israel wants to hurt Hezbollah but not drag the Middle East into all-out war.

IIR Energy said U.S. oil refiners are expected to shut in about 490,000 bpd of capacity in the week ending August 2nd, increasing available refining capacity by 255,000 bpd.

Venezuelan President Nicolas Maduro and his opposition rival Edmundo Gonzalez were each claiming victory in a presidential election on Monday morning, after a vote marked by accusations of underhand tactics and isolated incidents of violence. The country's electoral authority said just after midnight on Monday that Maduro had won a third term with 51.2% of the vote, despite multiple exit polls which pointed to an opposition win. The authority said opposition candidate Gonzalez won 44% of the vote, though the opposition had earlier said it had "reasons to celebrate" and asked supporters to continue monitoring vote counts. Opposition leader, Maria Corina Machado, said Gonzalez had won 70% of the vote and that multiple independent exit polls and quick counts decisively showed his victory. U.S. Secretary of State, Antony Blinken, said the United States had "serious concerns that the result announced does not reflect the will or the votes of the Venezuelan people." He called for electoral authorities to publish a detailed tabulation of votes.

Early Market Call - as of 8:00 AM EDT

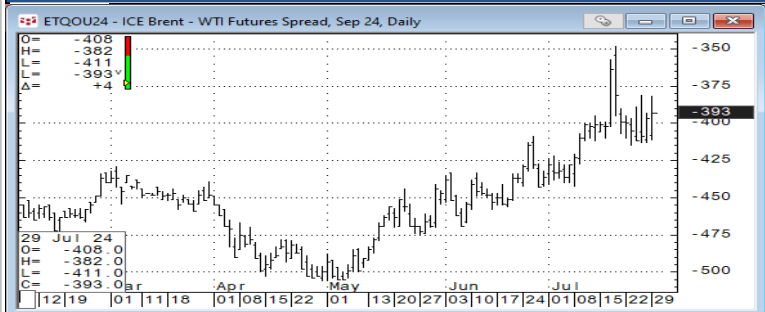
WTI - Sep \$75.30, down 51 cents
 RBOB - Aug \$2.3953, down 2 cents
 HO - Aug \$2.3571, down 1.79 cents

All NYMEX | Prior Settlements

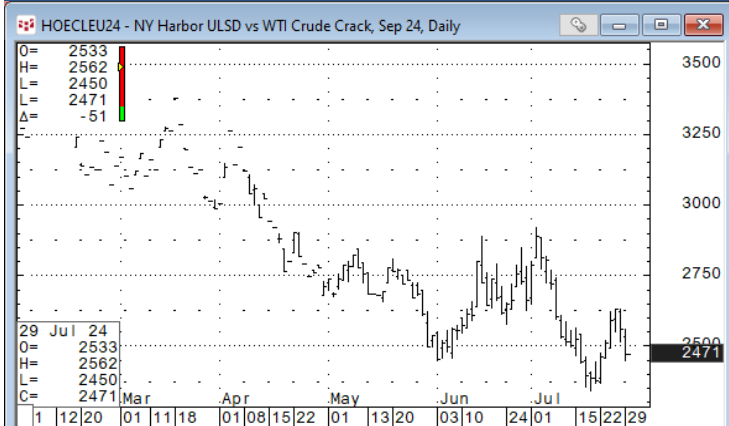
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	\$2.3750	-\$0.0447	-\$0.0598
Sep-24	\$2.3935	-\$0.0441	-\$0.0594
Oct-24	\$2.4092	-\$0.0423	-\$0.0564
Nov-24	\$2.4133	-\$0.0420	-\$0.0563
Dec-24	\$2.4079	-\$0.0411	-\$0.0581
Jan-25	\$2.4119	-\$0.0398	-\$0.0570
Feb-25	\$2.4081	-\$0.0391	-\$0.0568
Mar-25	\$2.3951	-\$0.0383	-\$0.0564
Apr-25	\$2.3770	-\$0.0370	-\$0.0549
May-25	\$2.3650	-\$0.0355	-\$0.0531
Jun-25	\$2.3568	-\$0.0340	-\$0.0510
Jul-25	\$2.3593	-\$0.0324	-\$0.0485
Aug-25	\$2.3631	-\$0.0308	-\$0.0464
Sep-25	\$2.3674	-\$0.0294	-\$0.0449
Oct-25	\$2.3713	-\$0.0281	-\$0.0435
Nov-25	\$2.3699	-\$0.0273	-\$0.0425
Dec-25	\$2.3643	-\$0.0270	-\$0.0413

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Sep Brent-	\$75.8100	-\$1.3500
Crude - Brent	WTI Spread	\$79.7800	-\$1.3500
Natural Gas	\$3.97	\$1.9070	-\$0.0990
Gasoline		\$2.4153	-\$0.0452

ICE September Brent-WTI Spread



September Heating Oil Crack Spread



September RBOB Crack Spread

