

## Market Commentary

**Recap:** The oil market on Friday continued to give up its recent gains and posted a fourth consecutive weekly decline, with a fall of 4.72% in the latest week. Signs of weak economic growth outweighed fears of supply disruption in the Middle East. Economic data from China, a survey of weaker manufacturing activity across Asia, Europe and the U.S. increased the risk of a slow global economic recovery that could impact oil demand. The crude market sold off and breached a recent low of \$74.59 as it extended its losses to over \$3.40 to a low of \$72.97 ahead of the close following the release of the monthly payroll report earlier in the morning, which showed that the U.S. economy added fewer jobs than expected in July and the unemployment rate increased to 4.3%. The market was also pressured as the increased Mideast geopolitical tensions has not impacted supply from the region, despite fears that the region could be on the brink of an all-out war. The crude market later retraced some of its losses and traded sideways ahead of the close. The September WTI contract settled down \$2.79 at \$73.52 and the October Brent contract settled down \$2.71 at \$76.81. The product markets also ended the session lower, with the heating oil market settling down 8.79 cents at \$2.3185 and the RB market settling down 8.04 cents at \$2.3176.

**Technical Analysis:** The crude market on Monday is seen retracing some of Friday's sharp losses and will likely remain in a sideways trading range, barring any major news over the weekend. The crude market is seen finding support at its low of \$72.97, \$72.85, \$72.42 and \$72.23. Meanwhile, resistance is seen at \$74.00, \$74.99, \$75.35, \$76.02, \$76.69, \$77.15 and \$77.29.

**Fundamental News:** The Pentagon said U.S. Defense Secretary Lloyd Austin has informed Israel about current and future changes to U.S. forces in the Middle East, amid threats from Iran and its allies Hamas and Hezbollah. Officials said that a wide range of options are under consideration, including aircraft and naval assets. The expected changes come as the United States is bracing for Iran to make good on its threats to respond to the killing of Hamas leader Ismail Haniyeh in Tehran earlier this week.

According to a Reuters survey, OPEC's oil output increased in July, as a rebound in Saudi Arabian supply and small increases elsewhere offset the impact of ongoing voluntary supply cuts by other members and the wider OPEC+ alliance. OPEC produced 26.70 million bpd in July, up 100,000 bpd from June. Saudi Arabia provided the largest supply increase last month of 70,000 bpd, as exports rebounded from June when they were lower than expected. Production reached 9 million bpd in July, close to the kingdom's target. Nigeria had the biggest decline of 30,000 bpd, with exports lower month on month. Small increases came from Libya and Iran, two of the members not required to cut output, and from Iraq. Iranian output reached 3.22 million bpd, the highest since 2018. OPEC pumped about 240,000 bpd more than the implied target for the nine members covered by supply cut agreements, with Iraq still accounting for the majority of the excess.

U.S. shale producers are planning to increase their oil production this year, a sign that U.S. output could surpass the modest growth expectations many companies had pledged. EOG Resources Inc, Coterra Energy Inc and Civitas Resources Inc increased their 2024 forecasts, with Civitas stating that it sees stronger than expected well output in the Permian Basin. EOG Resources increased the upper limit of its production forecast to 491,800 bpd of crude and condensate output from a previous forecast of 490,000 bpd. Coterra Energy increased its full year oil production forecast to 105,500 bpd to 108,500 bpd, up 2.4%. Also, Exxon Mobil and Chevron Corp said last quarter that they are on track to increase its Permian production by 10% this year. A combination of more oil from the U.S. and OPEC+ could lead to an oversupplied market and lower prices if global consumption does not increase as well.

**Early Market Call - as of 8:10 AM EDT**

WTI - Sep \$72.42, down \$1.12

RBOB - Sep \$2.2766, down 4.15 cents

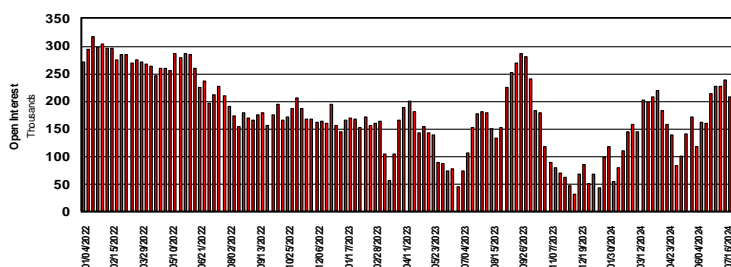
HO - Sep \$2.2725, down 4.63 cents

## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-24	2.3185	-0.0879	-0.1191
Oct-24	2.3362	-0.0866	-0.1153
Nov-24	2.3416	-0.0843	-0.1137
Dec-24	2.3404	-0.0821	-0.1086
Jan-25	2.3451	-0.0802	-0.1066
Feb-25	2.3415	-0.0793	-0.1057
Mar-25	2.3290	-0.0784	-0.1044
Apr-25	2.3110	-0.0773	-0.1030
May-25	2.2992	-0.0765	-0.1013
Jun-25	2.2916	-0.0753	-0.0992
Jul-25	2.2946	-0.0744	-0.0971
Aug-25	2.2992	-0.0733	-0.0947
Sep-25	2.3045	-0.0720	-0.0923
Oct-25	2.3096	-0.0708	-0.0898
Nov-25	2.3092	-0.0696	-0.0880
Dec-25	2.3039	-0.0686	-0.0874
Jan-26	2.3019	-0.0669	-0.0862

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Oct Brent- WTI Spread \$4.22	\$72.5900	-\$2.8100
Crude - Brent		\$76.8100	-\$2.7100
Natural Gas		\$1.9670	-\$0.0010
Gasoline		\$2.3176	-\$0.0804

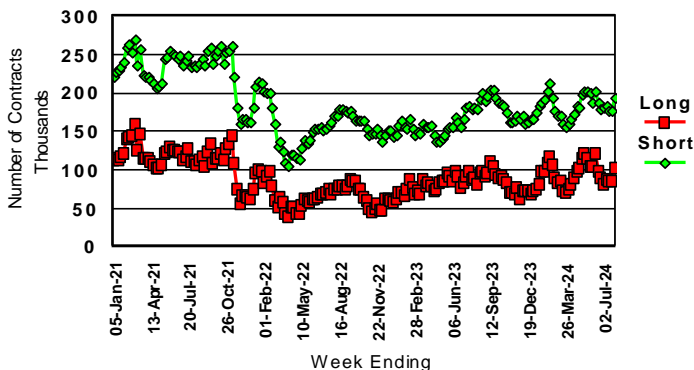
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending July 30, 2024

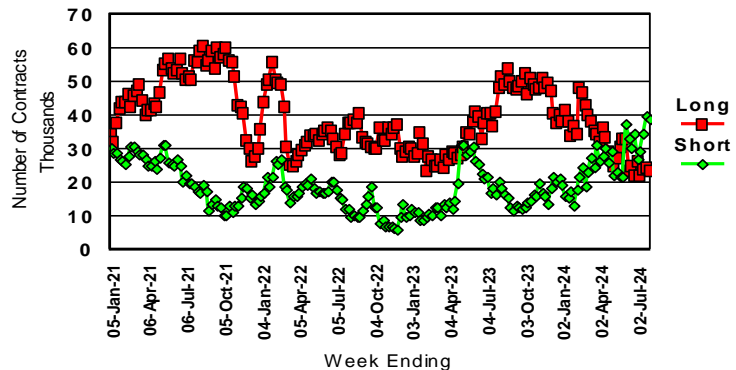
### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report



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