

Market Commentary

Recap: The oil market on Friday continued on its downward trend and posted a weekly decline of 7.99% as demand concerns outweighed Thursday's announcement of OPEC+ producers delaying their output increase in October and November. The crude market traded mostly sideways as it retraced some of Thursday's losses. The market traded to a high of \$70.13 early in the session after the U.S. nonfarm payrolls increased by 142,000 jobs in August. However, the market erased any of its gains and continued to sell off sharply as the increase in U.S. employment was less than expected and a fall in the jobless rate does not warrant the Federal Reserve to make a big interest rate cut later this month. The oil market extended its losses to over \$1.60 as it posted a low of \$67.17 by mid-day. The market later retraced some of its losses ahead of the close. The October WTI contract settled down \$1.48 at \$67.67 and the November Brent contract settled down \$1.63 at \$71.06. The product markets also settled in negative territory, with the heating oil market settling down 5.39 cents at \$2.1150 and the RB market settling down 2.98 cents at \$1.8960.

Technical Analysis: The oil market on Monday is seen retracing some of its sharp losses before it continues on its downward trend. The market continues to dismiss any supportive news, with OPEC+ delaying its output increase and production in Libya remaining shut in. The crude market is seen finding support at \$67.39, its low of \$67.17, \$67.05 and \$66.80. Meanwhile, resistance is seen at \$70.13, \$70.82, \$71.46, \$72.13, \$73.18, \$74.22 and \$74.41.

Fundamental News: Citi said it recommends selling Brent crude on a bounce towards the \$80/barrel level. It expects moves down to the \$60/barrel range in 2025 as a sizeable market surplus emerges. The bank also stated that it sees the OPEC+ unwind delay and ongoing geopolitics and financial positioning providing price support at the \$70-\$72/barrel level for Brent crude.

Bank of America lowered its 2025 Brent price forecast to \$75/barrel from a previous estimate of \$80/barrel and lowered its 2025 WTI forecast to \$71/barrel from a previous forecast of \$75/barrel. It forecast global demand growth of 1 million bpd year on year in 2024 and 1.1 million bpd in 2025. It stated that the global oil balance should shift to a surplus of 730,000 bpd in 2025. It estimated that non-OPEC supply should grow about 1 million bpd year on year in 2024 and 1.6 million bpd in 2025, while OPEC crude supplies are expected to fall by 270,000 bpd in 2024 and increase by 370,000 bpd in 2025. Bank of America said OPEC+ could sit tight and hope for higher prices as non-OPEC supply delivers barrels needed to meet global oil demand.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for a fourth consecutive week for the first time since late June. The oil and gas rig count fell by 1 to 582 in the week ending September 6th, the lowest since June. Baker Hughes said oil rigs held at 483 this week, while gas rigs fell by 1 to 94, their lowest since April 2021.

IIR Energy said U.S. oil refiners are expected to shut in about 477,000 bpd of capacity in the week ending September 6th, cutting available refining capacity by 52,000 bpd. Offline capacity is expected to fall to 311,000 bpd in the week ending September 13th and then increase to 535,000 bpd in the week ending September 20th.

Early Market Call - as of 8:25 AM EDT

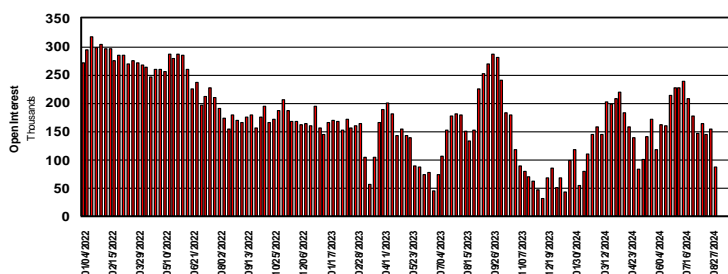
WTI - Oct \$68.45, up 78 cents
 RBOB - Oct \$1.9296, up 3.36 cents
 HO - Oct \$2.1409, up 2.59 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.1150	-0.0539	-0.1633
Oct-24	2.1324	-0.0522	-0.1613
Nov-24	2.1466	-0.0508	-0.1548
Dec-24	2.1571	-0.0504	-0.1513
Jan-25	2.1598	-0.0495	-0.1465
Feb-25	2.1545	-0.0479	-0.1404
Mar-25	2.1454	-0.0467	-0.1352
Apr-25	2.1418	-0.0448	-0.1303
May-25	2.1416	-0.0427	-0.1256
Jun-25	2.1513	-0.0405	-0.1211
Jul-25	2.1609	-0.0387	-0.1175
Aug-25	2.1706	-0.0369	-0.1143
Sep-25	2.1798	-0.0351	-0.1109
Oct-25	2.1843	-0.0334	-0.1062
Nov-25	2.1851	-0.0314	-0.1007
Dec-25	2.1881	-0.0288	-0.0960
Jan-26	2.1598	-0.0531	-0.1182

Sprague HeatCurve October 2024-April 2025		Close	
Crude - WTI	Nov Brent- WTI Spread \$4.08	\$66.9800	-\$1.5200
Crude - Brent		\$71.0600	-\$1.6300
Natural Gas		\$2.2750	\$0.0210
Gasoline		\$1.8960	-\$0.0298

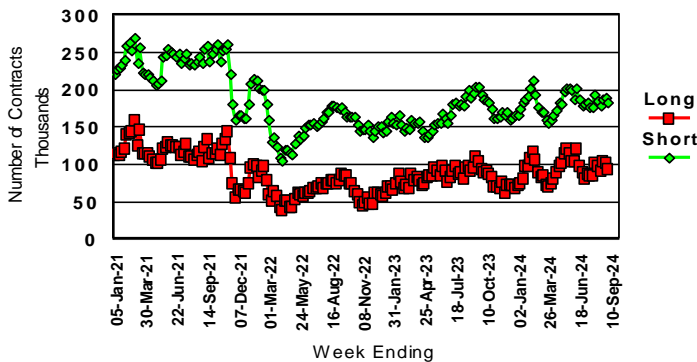
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending September 3, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

