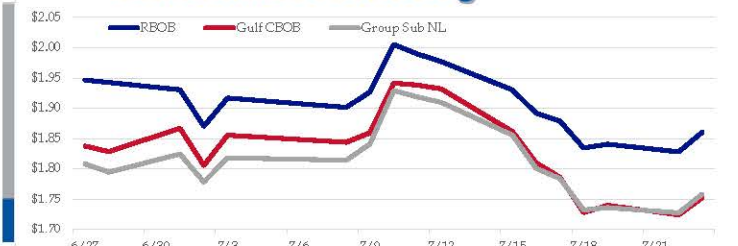


Gasoline

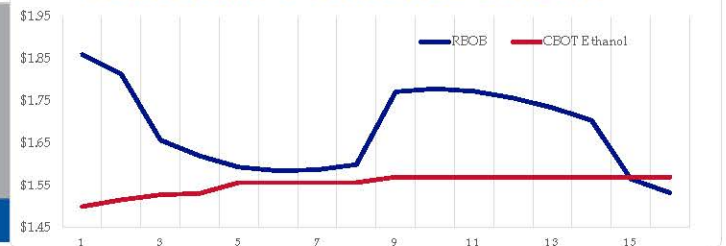
	RBOB	Change	Gulf CBOB	Change	Group Sub NL	Change	Gulf Basis	Group Basis
7/24	\$1.8543	-\$0.0062	\$1.7463	-\$0.0060	\$1.7523	-\$0.0062	\$ (0.1086)	\$ (0.1023)
7/23	\$1.8605	\$0.0326	\$1.7525	\$0.0286	\$1.7585	\$0.0314	\$ (0.1081)	\$ (0.1020)
7/22	\$1.8279	-\$0.0126	\$1.7239	-\$0.0166	\$1.7272	-\$0.0086	\$ (0.1041)	\$ (0.1008)
7/19	\$1.8405	\$0.0063	\$1.7395	\$0.0119	\$1.7357	\$0.0038	\$ (0.1011)	\$ (0.1048)
7/18	\$1.8342	-\$0.0445	\$1.7276	-\$0.0582	\$1.7319	-\$0.0520	\$ (0.1067)	\$ (0.1023)
7/17	\$1.8787	-\$0.0131	\$1.7858	-\$0.0239	\$1.7839	-\$0.0169	\$ (0.0930)	\$ (0.0948)
7/16	\$1.8918	-\$0.0385	\$1.8097	-\$0.0518	\$1.8008	-\$0.0547	\$ (0.0821)	\$ (0.0910)
7/15	\$1.9303	-\$0.0467	\$1.8615	-\$0.0705	\$1.8555	-\$0.0542	\$ (0.0688)	\$ (0.0748)

RBOB Technicals			Resistance	
Indicator	Direction		2.1559	2019 High
MACD	Topping		2.0378	July High
Stochastics	Neutral		1.6625	June Low
RSI	Neutral		1.6490	Chart Gap
ADX	Neutral			
Momentum	Neutral			
Bias:	Neutral			
Support				

Gasoline History



Gasoline Forward Curve

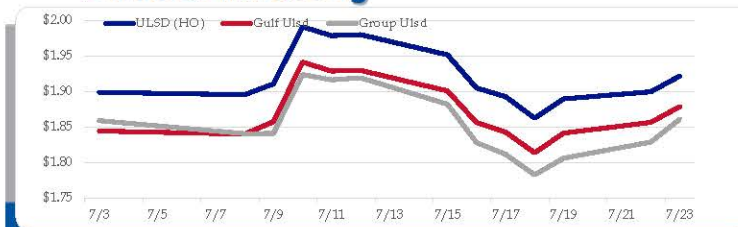


Diesel

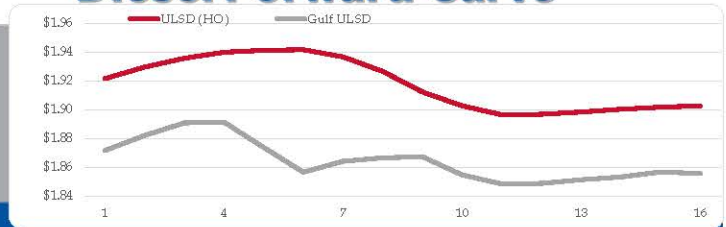
	ULSD (HO)	Change	Gulf Ulstd	Change	Group Ulstd	Change	Gulf Basis	Group Basis
7/24	\$1.9269	\$0.0052	\$1.8837	\$0.0052	\$1.8651	\$0.0042	\$ (0.0437)	\$ (0.0621)
7/23	\$1.9217	\$0.0222	\$1.8785	\$0.0122	\$1.8609	\$0.0322	\$ (0.0432)	\$ (0.0609)
7/22	\$1.8995	\$0.0099	\$1.8564	\$0.0150	\$1.8287	\$0.0225	\$ (0.0432)	\$ (0.0709)
7/19	\$1.8896	\$0.0271	\$1.8414	\$0.0277	\$1.8061	\$0.0235	\$ (0.0482)	\$ (0.0835)
7/18	\$1.8625	-\$0.0301	\$1.8137	-\$0.0292	\$1.7826	-\$0.0290	\$ (0.0489)	\$ (0.0799)
7/17	\$1.8926	-\$0.0123	\$1.8429	-\$0.0134	\$1.8116	-\$0.0163	\$ (0.0498)	\$ (0.0811)
7/16	\$1.9049	-\$0.0467	\$1.8563	-\$0.0444	\$1.8279	-\$0.0542	\$ (0.0486)	\$ (0.0770)
7/15	\$1.9516	-\$0.0285	\$1.9007	-\$0.0290	\$1.8821	-\$0.0371		

HO Technicals			Resistance	
Indicator	Direction		2.1377	2019 High
MACD	Topping		2.0181	July High
Stochastics	Topping		1.7402	June Low
RSI	Neutral		1.6424	January Low
ADX	Neutral			
Momentum	Neutral			
Bias:	Neutral			
Support				

Diesel History



Diesel Forward Curve



Crude

	WTI	Change	Brent	Change
7/24	\$57.03	\$0.26	\$63.98	\$0.15
7/23	\$56.77	\$0.55	\$63.83	\$0.57
7/22	\$56.22	\$0.59	\$63.26	\$0.79
7/19	\$55.63	\$0.33	\$62.47	\$0.54
7/18	\$55.30	-\$4.91	\$61.93	-\$1.73
Line 1	Change	Line 2	Change	
CPL space	-0.0045	\$0.0033	-\$0.0113	-\$0.0003

Refinery Margins

				Vs WTI		Vs Brent		Group / WCS	
	Gulf Gas	Gulf Diesel	3/2/1	5/3/2	Gulf Gas	Gulf Diesel	3/2/1	5/3/2	3/2/1
7/24	\$16.83	\$22.13	\$18.60	\$18.95	\$9.77	\$15.07	\$11.54	\$11.89	26.93
7/23	\$16.18	\$21.75	\$18.04	\$18.41	\$9.14	\$14.71	\$11.00	\$11.37	25.60
7/22	\$17.43	\$21.71	\$18.85	\$19.14	\$10.59	\$14.87	\$12.01	\$12.30	25.53
7/19	\$17.26	\$20.87	\$18.46	\$18.70	\$10.63	\$14.24	\$11.83	\$12.07	25.88

Diesel Forward Curve

Indicative forward prices for ULSD at Gulf Coast area origin points. Prices are estimates only.

Del. Month	Price	Differential	3 Mo. Avg	6 Mo. Avg
Aug-19	\$1.8822	-\$0.0460		
Sep-19	\$1.8909	-\$0.0435		
Oct-19	\$1.8915	-\$0.0470	\$1.8882	
Nov-19	\$1.8739	-\$0.0660		
Dec-19	\$1.8568	-\$0.0825		
Jan-20	\$1.8643	-\$0.0720	\$1.8650	\$1.8766
Feb-20	\$1.8667	-\$0.0575		
Mar-20	\$1.8674	-\$0.0435		
Apr-20	\$1.8548	-\$0.0465	\$1.8630	
May-20	\$1.8486	-\$0.0435		
Jun-20	\$1.8490	-\$0.0435		
Jul-20	\$1.8515	-\$0.0425	\$1.8497	\$1.8563
12 Month Avg	\$1.8665	-\$0.0528		

Economic Indicators

Commodity Futures

	Settle	Change		Settle	Change
S&P 500	2,989	19.00	Ethanol	1.500	-0.005
DJIA	27,349	177.29	NatGas	2.300	-0.012
			Gold	1,420	
			Silver	16.41	16.41
EUR/USD	1.1174	-0.0008	Copper	2.69	0.013
USD Index	97.42	-0.60	FCOJ	101.50	2.40
US 10 YR YIELD	2.08%	0.03	Corn	425.50	4.00
US 2 YR YIELD	1.83%	0.03	Soy	885.75	5.75
Oil Volatility Index	33.63	-1.38	Wheat	487.25	8.00
S&P Volatility Index (VIX)	13.53	-0.92	Ethanol RINS	0.2328	0.005
Nikkei 225 Index	21,700	-60.00	Butane	0.491	-0.008
			Propane	0.493	0.001

*SOURCES: Nymex, CBOT, NYSE, ICE, NASDAQ, CME Group, CBOE. Prices delayed.

Unemployment Rate at Historical Lows

The Permian Basin unemployment rate ticked up to 2.2 percent in June (Chart 2). The jobless rate remains well below the Texas and U.S. rates of 3.4 percent and 3.7 percent, respectively.

Chart 2
Unemployment Rate



*Seasonally adjusted.

SOURCES: Texas Workforce Commission; Dallas Fed; author's calculations.

Oil Production Reaches New High; Rig Count Continues to Fall

Permian Basin oil production is estimated to have reached 4.1 million barrels per day in June, up 21 percent from a year earlier (Chart 4). Meanwhile, the Permian count continues to decline and stood at 441 in June, down from 452 in May.

Chart 4
Oil Production and Rig Count



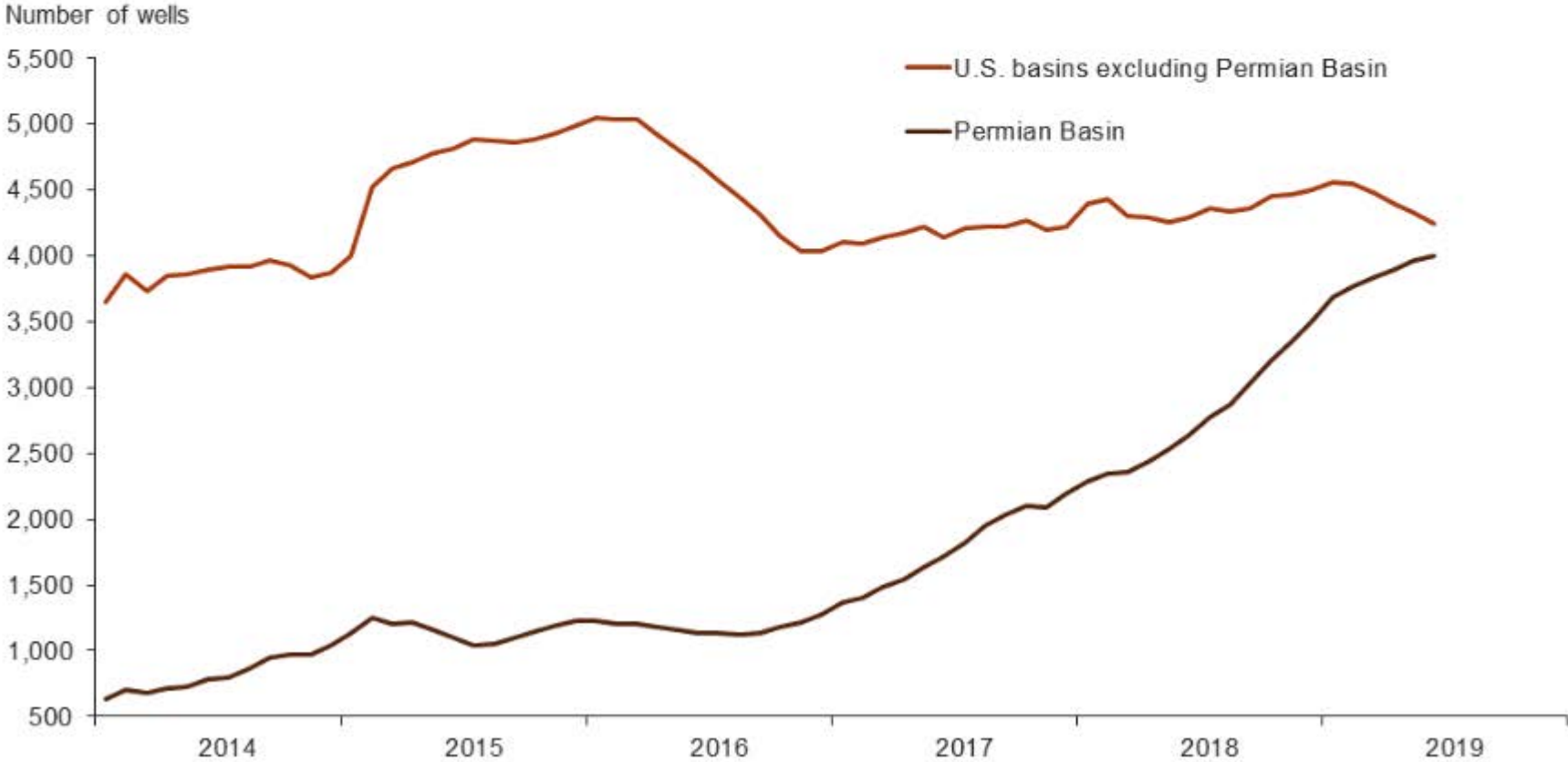
NOTES: Rig count data are monthly.

SOURCES: Energy Information Administration; Baker Hughes; author's calculations.

Drilled but Uncompleted Wells Rise Steadily

The number of drilled but uncompleted wells (DUCs) rose to over 4,000 in the Permian Basin in June, a 1.1 percent increase from May (*Chart 5*). Meanwhile, DUCs outside of the Permian decreased 1.9 percent over that time. Since June 2018, Permian DUCs are up 52.0 percent versus a 1.0 percent decline elsewhere. The increase in Permian DUCs may be linked to the pipeline capacity that is expected to come online soon.

Chart 5
Drilled but Uncompleted Wells



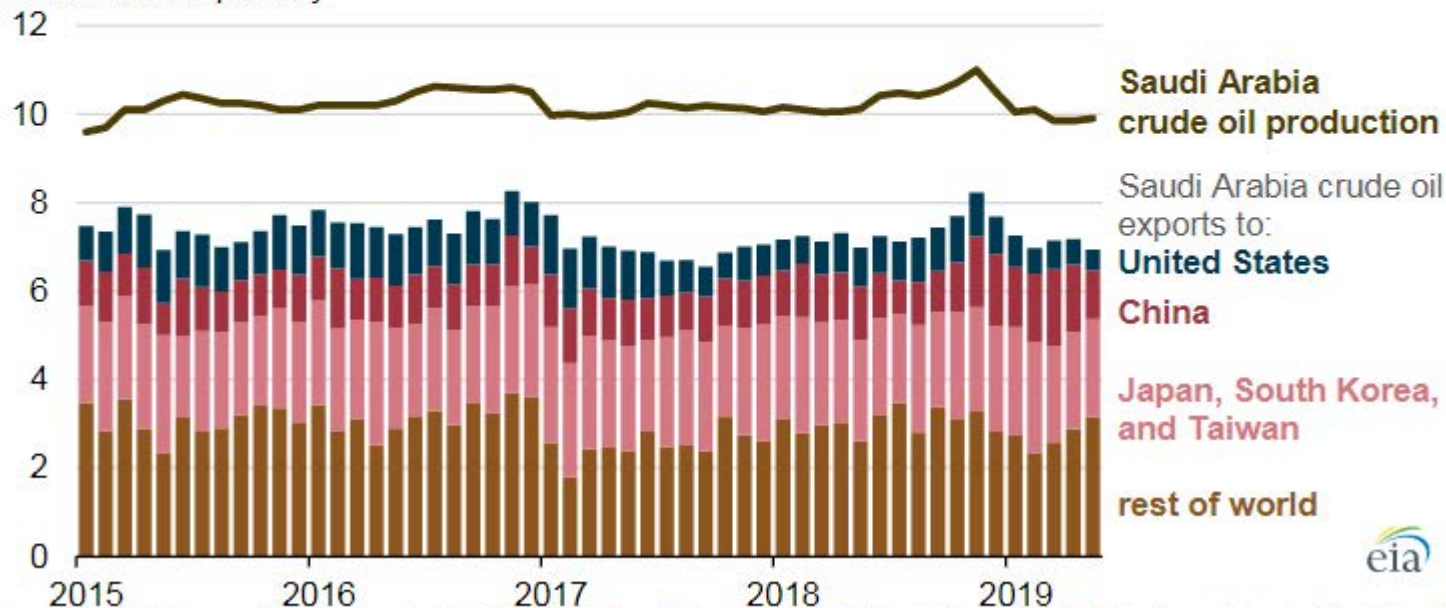
SOURCES: Energy Information Administration; author's calculations.

JULY 24, 2019

Saudi Arabia has been exporting more crude oil to China, less to the United States

Saudi Arabia crude oil production and exports (Jan 2015 - May 2019)

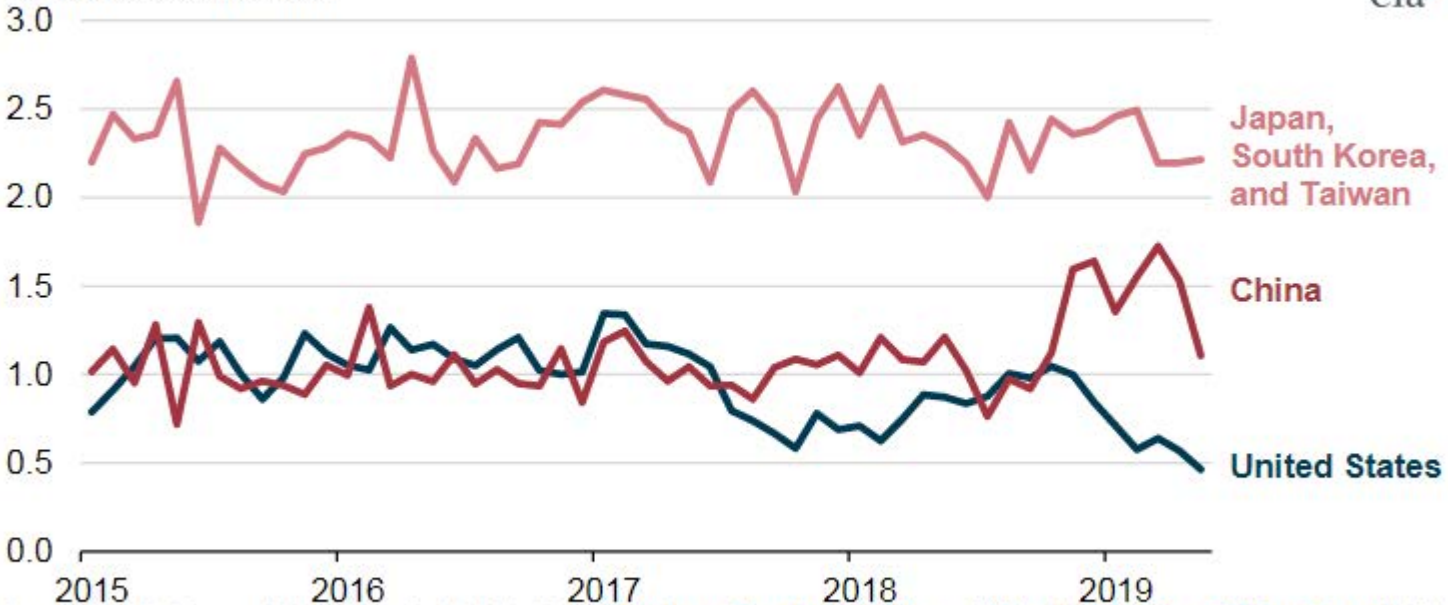
million barrels per day



Source: U.S. Energy Information Administration, *Short-Term Energy Outlook* (July 2019), *Petroleum Supply Monthly*, *Weekly Petroleum Status Report*; Joint Organizations Data Initiative (JODI); China's General Administration of Customs; Japan's Ministry of Economy, Trade, and Industry; Korea National Oil Corporation; Taiwan's Bureau of Energy; and Bloomberg L.P.

Saudi Arabia crude oil exports to selected countries (Jan 2015 - May 2019)

million barrels per day



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*, and *Weekly Petroleum Status Report*; China's General Administration of Customs; Japan's Ministry of Economy, Trade, and Industry; Korea National Oil Corporation; Taiwan's Bureau of Energy; and Bloomberg L.P.