



PRODUCER PROFIT SHARE **\$12,193,362**

## About Broadbill Energy

From our strong foundations, we create unsurpassed value to boldly redefine the midstream industry as the partner of choice. We are a driven infrastructure company offering producers transparent and diversified access to market, while relentlessly improving the ultimate netback for our producer partners. We fearlessly pursue innovation. We work with the right people. We are producer centric and we pursue strategic opportunities.

***The Broadcast*** is a monthly marketing newsletter from Broadbill Energy Inc. to provide market insight and company updates.

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## What's New in the Zoo

Stampede is over and the dust is settling. Don't look now, but half of the summer is in the rearview mirror. We hope you are enjoying some great summer weather and enjoy this month's Broadcast. We want to thank all the folks that made it out to our Stampede event this year. Record attendance couldn't have happened without your support, and we do appreciate it. Thanks to all our customers, suppliers, and everyone who made the event such a great success. We are already planning 2024!

If we did not get a chance to catch up, please reach out as there is plenty of time to discuss the crude markets (and gas to a certain extent) that are keeping up with rising temperatures. We finished commissioning our latest site in W5 and look forward to more towards the end of summer.

***What goes up but never comes down  
Riddle?***



## Pricing View -August 2, 2023

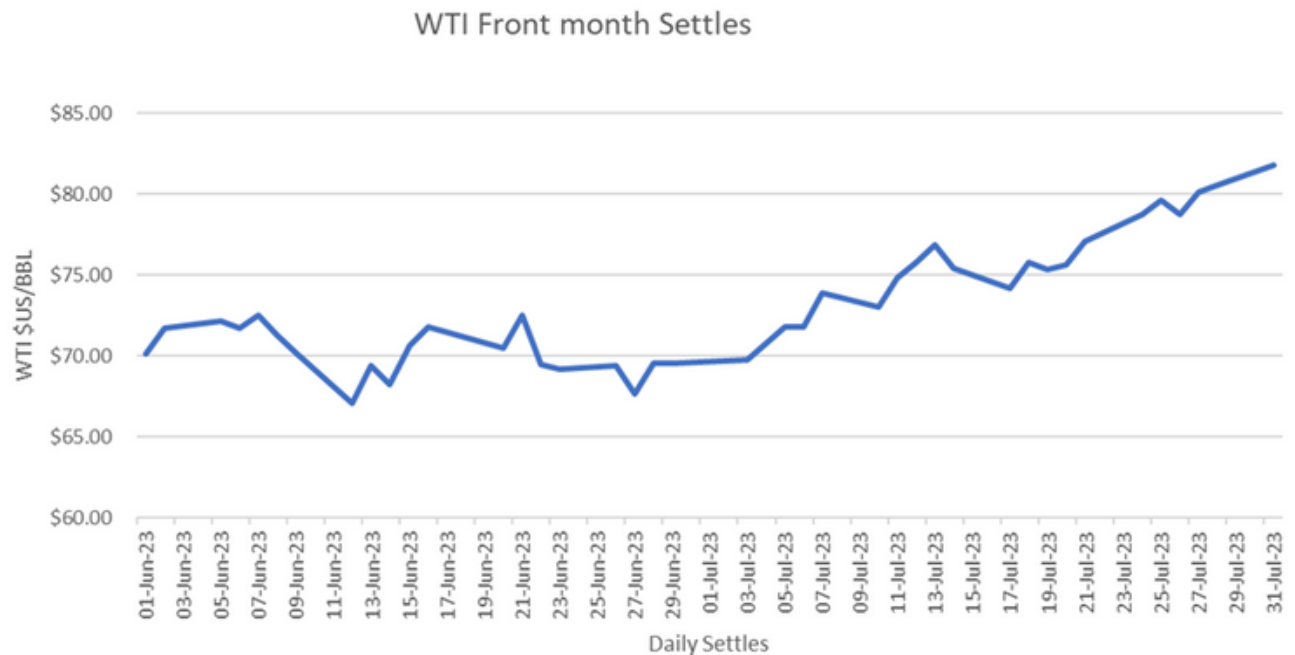
	June - 2023 Index Diff	July - 2023 Index Diff	August - 2023 Index Diff
WCS	--\$13.88	-\$11.93	-\$11.19
LIGHT SWEET (MSW)	-\$3.33	-\$2.44	-\$0.82
CONDENSATE (C5)	-\$3.99	-\$4.73	-\$5.01
LIGHT SOUR BLEND (LSB)	-\$3..85	-\$3.29	-\$2.05
MIDALE (MSM)	-\$6.00	-\$5.12	-\$4.57

## MARKET SUMMARY

Opec! Opec+! We see this time and time again that just when the market thinks Opec and Opec+ (Russia included) can't sway the market, they are able to make things happen. In this case, the Saudi's having led the charge in July are pressing on with additional cuts through August to keep the market as tight as possible. Russia has also joined the party with a 500KBD cut of their own. Hard to put faith in these numbers, but we finally are seeing Russian volumes drop.

While this can easily be seen as a move to short the market given lack luster demand, the reality is crude is starting to look like that even if demand remains sluggish into yearend, we will see tightness. Reports of falling floating storage are usually the beginning. We finally broke the long-standing \$68-73 range, and it has been on a run to \$80 ever since.

As we have been showing the crude market has been trading in a very tight range. This finally broke out and while backwardation has returned, \$80's just looks so much better than \$70's, especially with how tight the Canadian differentials continue to print.



Source: Broadbill Energy Inc.

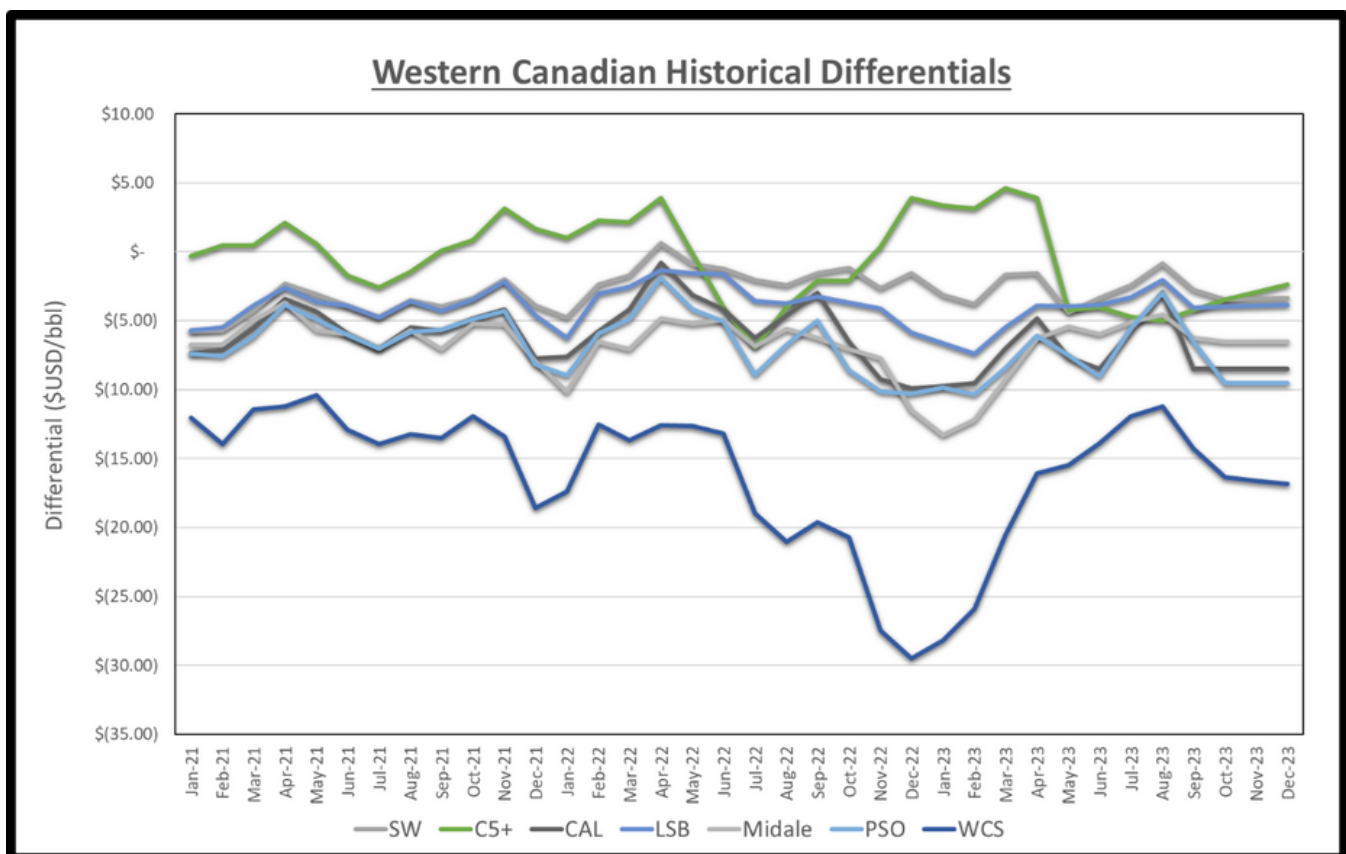
Keep a close watch on the weekly data points. Gasoline inventories still appear low and with summer demand in full swing, should continue to put a bid in light grades. As such, we are seeing forward sweet differentials at or above \$(3) still through the winter. The answer to the riddle is unfortunately not crude price. It is of course age and over time we all know things can come back down. Worth noting, we are getting into overbought levels at this stage for WTI, but momentum is on its side (see appendix for trend analysis and RSI levels, which are pushing 75). It should be an interesting month.

Canadian and United States (U.S.) interest rates continue to climb. The Bank of Canada rate (BOC) now sits at 5% after the latest 25 basis point hike and the 5-year is basically sitting at 16-year highs. It is worth it to note that inflation measures are dropping weekly and as such the markets seem to get more bullish with every hike at this stage as the data continues to show soft economic data. There are bets that rate cuts may not be as far away as some may perceive. Many of the purchasing managers index (PMI) data points are now hitting levels not seen since the depths of the pandemic. The market is now multi-faceted and ever changing. It only took 18 months to go from effectively zero to 5%. Astounding.

On printing of the letter we note that the week over week crude inventory draws were a staggering 17M barrels. This is a record weekly draw. This news came in lock step with a Fitch downgrade of U.S. credit, which immediately created a risk off market moment and crude sold off on the day on the news. Relative Strength Index (RSI) has come off quickly as a result.

## WCSB PRICING SUMMARY

As mentioned, the summer remained extremely well bid. We just about cracked \$10 US/bbl WCS in the August trade cycle only to settle just outside of \$11. The forwards are showing some signs of softening on account of summer oilsands maintenance coming to an end, but we are still netting back triple digits on most light Canadian oil streams and heavies are not far behind with diluent costs remaining relatively low. This trend will change as we head into the winter so please do reach out if you are looking for some creative ideas around heavy optimization as we continue to make strides with our heavy oil customers on both sides of the border.



Source: Broadbill Energy Inc.

Enbridge mainline apportionment:

-0% on both lights and heavies for August 2023.

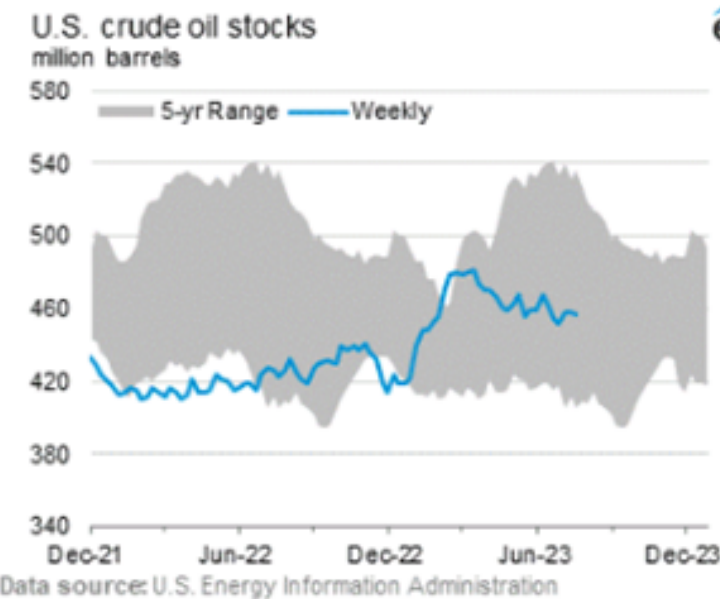
## The Broadbill Energy Team

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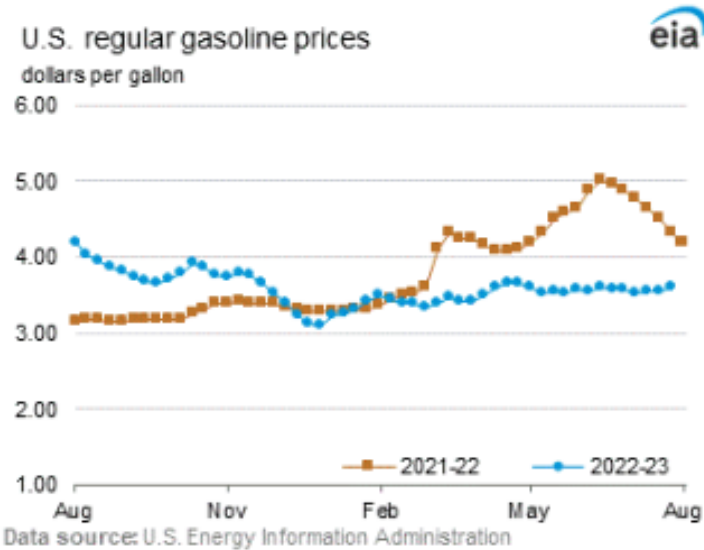


APPENDIX

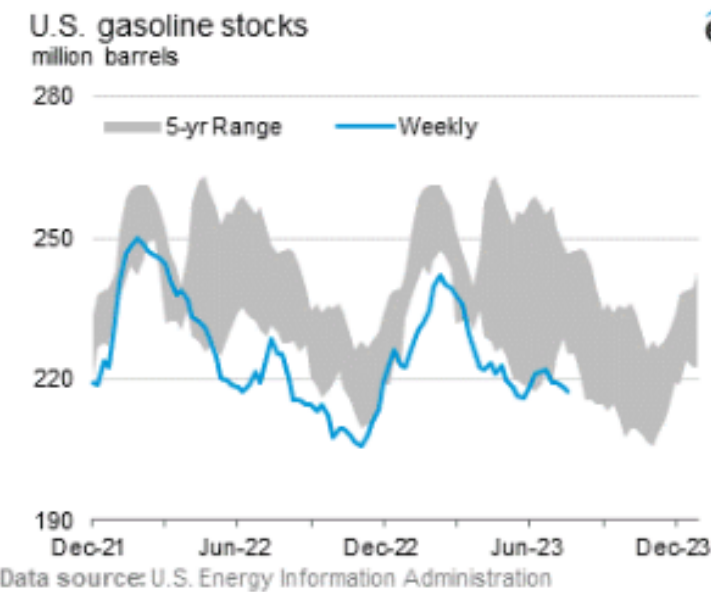
Stocks (million barrels)



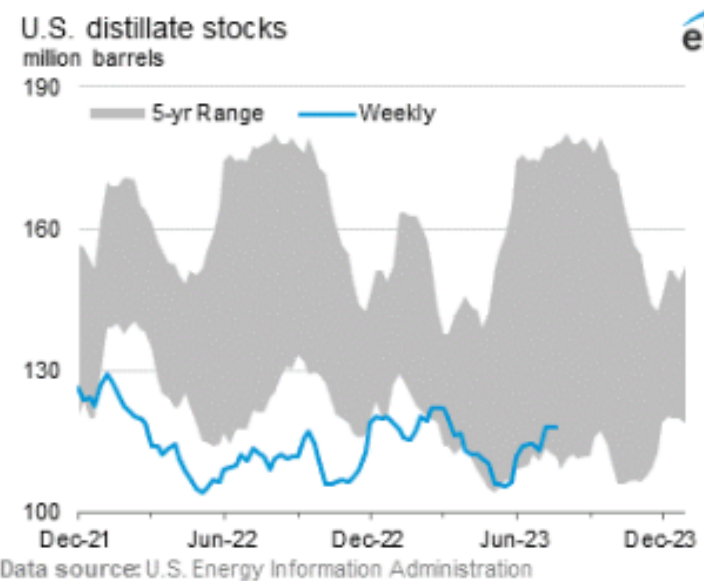
Retail prices (dollars per gallon)



Stocks (million barrels)



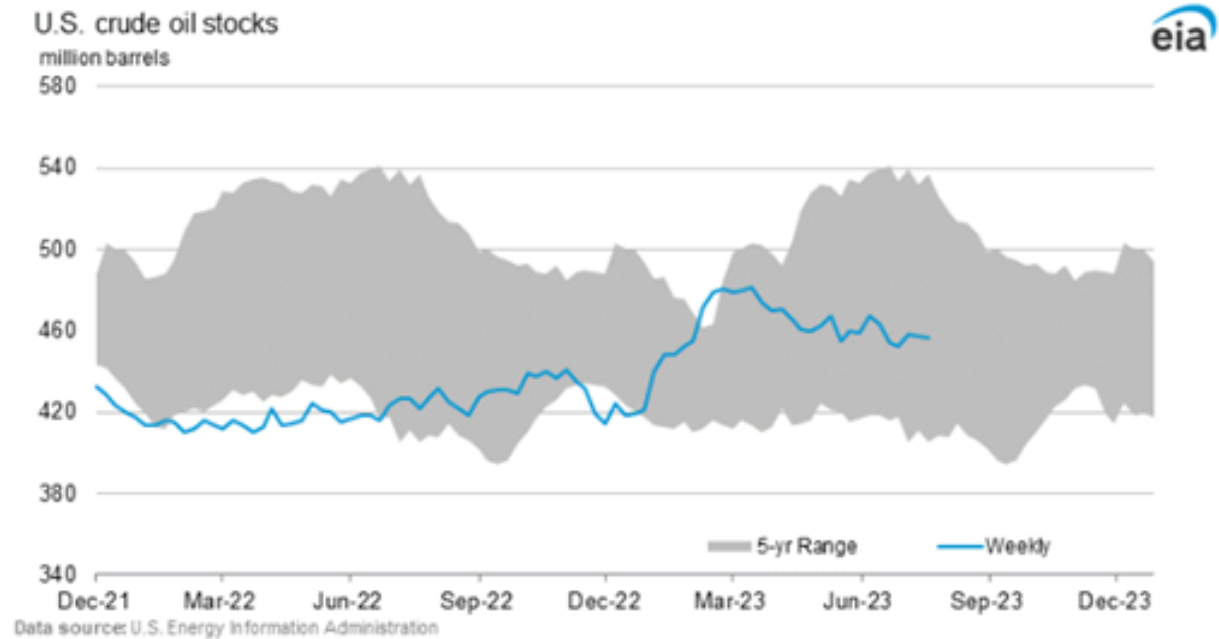
Stocks (million barrels)





## APPENDIX

### Crude oil stocks (million barrels) and days of supply



APPENDIX

