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NEWS & ANALYSIS

Crude futures were strengthening further in the overnight session on Friday amid continued weakness in the US dollar index, despite mostly lower trade in equities. Market participants looked ahead to the Canadian Labor Force Survey, the US Employment Situation Report, the final US Composite PMI, and to the weekly US rig counts from Baker Hughes for further direction.

The S&P Global Composite PMI for China came in at 50.0, down from 50.9 in September. Nevertheless, the Shanghai Composite added 0.71% last night and the Hang Seng jumped 2.52% higher. The Tokyo Stock Exchange was closed for a holiday. In Europe, the unemployment rate in the Eurozone saw a surprise upward revision from 6.4% to 6.5% in September, while forecasts called for no change. Also unresponsive, the German merchandise trade surplus narrowed from E17.7bn in August to E16.5bn in September, whereas the Econoday consensus called for a E18.0 figure. Industrial production in France fell 0.5% in September, missing expectations calling for a smaller dip of 0.1%. In the supportive column, the final October CIPS/S&P Global Composite PMI for the UK came in at 48.7, just above the 48.6 consensus. As of this writing, the DAX was up 0.2%, while the CAC 40 had edged down 0.1% and the FTSE 100 was down 0.2%. US stock market index futures were trading flat to lower this morning with futures for the Dow holding steady while S&P 500 futures were off 0.1% and Nasdaq futures had lost 0.3%. The US dollar index continued lower today and was down 0.2%, which is supportive for crude oil prices.

Petroleum futures posted gains of over two percent on Thursday amid gains in equities and a drop in the US dollar index. Brent crude rose \$2.22 to \$86.85/bbl and WTI added \$2.02 to close at \$82.46/bbl. RBOB futures jumped 6.05 cents higher to close at \$2.2460/g and ULSD (HO) gained 6.40 cents to settle at \$3.0255/g. The New York Harbor ULSD barge price differential to NYMEX strengthened by 25 points to +6.75c/g, while ULSHO and HSHO differentials held steady at -1.25c/g, and -23.00c/g, respectively. A wider ULSD-ULSHO spread was consistent with a rise of 25 points to 79.50 cents in biodiesel (D4) RIN prices. Propane prices made opposite moves to crude futures and fell yesterday as Mt. Belvieu TET propane prices fell by 1.13 cents to 65.75c/g (33.5% of crude) and Conway prices weakened by 1.50 cents to 63.00c/g (32.1% of crude).

NYMEX natural gas futures edged down 2.2 cents to settle at \$3.472/mmBtu yesterday with a looser US market balance expectation for next week and a weaker two-week HDD forecast. The latest 1-5 day outlook (EC) calls for above-normal temperatures across the majority of the country, save for along the East Coast. The 6-10 day forecast is more supportive with below-normal temperatures expected in the Northeast, while mixed temperatures are seen in the Midwest.

Heating Oil 11/2/2023

November 03, 2023

Heat Curve	Month	Price	Change	Overnight
8.50 %	Nov 2023	3.0255	0.0640	0.0074
13.50 %	Dec 2023	2.9510	0.0600	
20.50 %	Jan 2024	2.9026	0.0608	
18.00 %	Feb 2024	2.8510	0.0619	
15.70 %	Mar 2024	2.7898	0.0630	
7.00 %	Apr 2024	2.7453	0.0623	
3.50 %	May 2024	2.7174	0.0602	
1.50 %	Jun 2024	2.7063	0.0576	
0.50 %	Jul 2024	2.6995	0.0555	
2.50 %	Aug 2024	2.6982	0.0539	
3.80 %	Sep 2024	2.6961	0.0518	
5.00 %	Oct 2024	2.6899	0.0500	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Nov 2023 - Oct 2024	2.8475
9 Month Strip	Sep 2023 - May 2024	2.8709
Winter Strip	Nov 2023 - Mar 2024	2.8724

RBOB Gasoline 11/2/2023

Month	Price	Change	Overnight
Nov 2023	2.2460	0.0605	0.0002
Dec 2023	2.2401	0.0563	
Jan 2024	2.2463	0.0557	
Feb 2024	2.2599	0.0553	
Mar 2024	2.4571	0.0567	
Apr 2024	2.4624	0.0575	
May 2024	2.4543	0.0574	
Jun 2024	2.4325	0.0566	
Jul 2024	2.4011	0.0571	
Aug 2024	2.3604	0.0597	
Sep 2024	2.1990	0.0598	

DOE Stocks 10/27/2023 vs 5-year avg. (000 bbls)

Crude	421,893	-24,893
Distillate	111,295	-14,813
Gasoline	223,522	4,761

Other	Price	Change	Overnight
Crude Oil (Dec 2023)	82.4600	2.0200	0.6400
Natural Gas (Dec 2023)	3.4720	(0.0220)	0.0070
Propane - Mont Belvieu	0.6575		

	Price	vs. NYMEX HO
NYH ULSD	3.0930	0.0675
NYH ULSHO	3.0130	(0.0125)
NY Harbor #2	2.7955	(0.2300)