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COMMENTARY: PETROLEUM COMPLEX (WTI | BRENT | ULSD | RBOB)

Crude futures saw modest strength earlier amid gains in European shares and further Middle East tensions following news that Israel has occupied the border crossing between Gaza and Egypt, despite strength in the US dollar index, but closed off the highs, slightly in the red. Also in the news today, the US government has launched a solicitation to buy more than 3mb of oil for the Strategic Petroleum Reserve (SPR), according to Reuters. The EIA released its May STEO, in which the agency cut its 2024 global oil demand growth forecast by 30kb/d to 0.92mb/d but raised its 2025 forecast by 70kb/d to 1.42mb/d. The EIA sees US crude oil production averaging 13.20mb/d this year, up by 10kb/d from its April forecast. In North American news, the Canadian Ivey PMI for April came in at 63.0, up from 57.5 the month prior. US stock market indexes were trading mixed near the unchanged mark as of this writing. While the Nasdaq was down 0.1%, the Dow was steady and the S&P 500 had edged up 0.1%. European shares rallied today as the CAC 40 added 0.99%, the FTSE 100 jumped 1.22% higher, and the DAX gained 1.40%. On the other hand, the US dollar index was up 0.3% as of this writing, which is unresponsive for crude oil prices.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$78.72	\$79.17	\$77.55	\$78.38	-\$0.10	-0.1%
BRENT Crude	\$83.72	\$83.88	\$82.41	\$83.16	-\$0.17	-0.2%
ULSD (HO)	\$2.4678	\$2.4814	\$2.4270	\$2.4656	+\$0.0042	+0.2%
RBOB Gasoline	\$2.5867	\$2.5950	\$2.5283	\$2.5434	-\$0.0448	-1.7%
Natural Gas	\$2.206	\$2.230	\$2.142	\$2.207	+\$0.012	+0.5%

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	3	\$2.5979
	2	\$2.5411
	1	\$2.4973
SETTLEMENT PRICE		\$2.4656
SUPPORT	1	\$2.4537
	2	\$2.4084
	3	\$2.3500

VOLUME	145,320	AVERAGE
RSI	34.2	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		BEARISH
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BEARISH
ADX	212.0	RISING
TECHNICAL DIRECTION		→

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

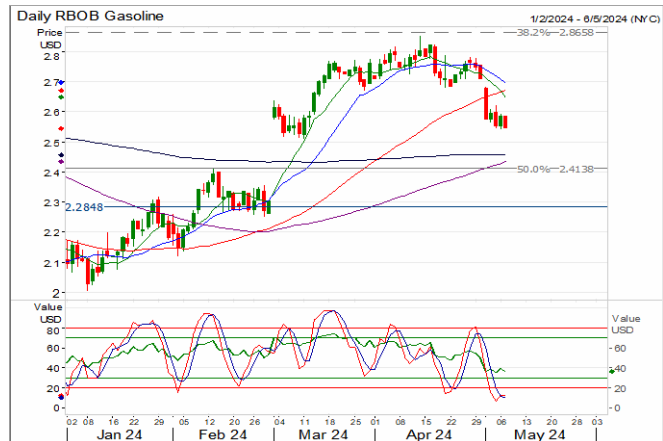
Natural gas futures strengthened today despite lower European gas prices and a looser US market balance forecast for next week. The Global Forecast System kept its degree day forecast for the next two weeks steady at 133 TDDs (44 heating and 89 cooling). This is just above last year's 131 TDDs but below the 30-year average of 145 (70 heating and 75 cooling). In unresponsive news, LSEG analysts see total US supply at 104.2bcf/d and US demand at 90.4bcf/d next week, implying larger injections into storage of 13.8bcf/d, compared to yesterday's forecast at 12.8bcf/d. Dutch TTF prices fell by 38 cents to \$9.65/mmBtu while Japan Korea Marker prices held steady at \$10.47/mmBtu today. According to a Reuters poll of analysts, estimates for tomorrow's weekly EIA petroleum inventory report, for the week ended May 3, call for a 1.1mb draw from US crude stocks amid a 0.8 percentage point uptick in the nation's refinery utilization rate. Distillate stockpiles are expected to fall as well, by 1.1mb, and gasoline stocks are expected to see a larger draw of 1.3mb. API petroleum inventories for the same week are due this afternoon at 4:30.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	7-May	6-May	Change (Δ)	
JUN4	\$2.4656	\$2.4614	↑	\$0.0042 +0.2%
JUL4	\$2.4790	\$2.4739	↑	\$0.0051 +0.2%
AUG4	\$2.4924	\$2.4871	↑	\$0.0053 +0.2%
Strip: 12-Months Ratable	\$2.4922	\$2.4884	↑	\$0.0038 +0.2%
Strip: 9-Months Ratable	\$2.4997	\$2.4950	↑	\$0.0047 +0.2%
Strip: Winter (Oct-Mar)	\$2.4976	\$2.4942	↑	\$0.0033 +0.1%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	7-May	6-May	Change (Δ)		
JUN4	\$2.5434	\$2.5882	↓	\$0.0448 -1.7%	
JUL4	\$2.5183	\$2.5564	↓	\$0.0381 -1.5%	
AUG4	\$2.4830	\$2.5135	↓	\$0.0305 -1.2%	
PROPANE (\$/gallon)		06-May	03-May	Change (Δ)	
Mt. Belvieu	\$0.6750	\$0.6825	↓	-\$0.007	-1.1%
Conway	\$0.6850	\$0.6950	↓	-\$0.010	-1.4%



COMMENTARY: ENERGY TECHNICALS (WTI | ULSD | RBOB | NG)

HO edged up 0.2% in an outside session (higher high, but also a lower low), indicating ambivalence and doing nothing to push us off of the sidelines. We continue to see nearby support at \$2.4537 (held up to a test today at the lows), followed by \$2.4084, and we continue to eye \$2.4973 (reinforced by the 9-day ma at \$2.4899) and then the 18-day ma (\$2.5411) offering nearby resistance. Slow stochastics and the RSI point higher, but candlesticks are neutral, and both the MACD and major averages point south. Consistent with our downside bias, RBOB futures fell 1.7% in a downside session, taking out \$2.5514 support. Slow stochastics are now oversold, but the RSI (36.0) does not confirm oversold conditions, and the MACD is crossing below the 0 line to become bearish. Candlesticks are trending lower, and the major averages are weakening and are now nearly neutral. Bears managed to take out \$2.5514 support, and this becomes nearby resistance followed by \$2.6522 (reinforced by the 9-day ma at \$2.6494). We look next to \$2.4932 and then to the 200-day ma (\$2.4563) below. WTI gapped higher overnight, but closed down 0.1% in an outside session, and we stick with the bears. Slow stochastics are oversold, but the RSI (34.0) has room to fall. Nearby support is seen at the 100-day ma (\$78.14, tested and held today) followed by \$76.25, with next resistance at the 200-day ma (\$80.14) and then at the 50-day ma (\$81.87). Finally, NG futures edged up 0.5% today, consistent with our upside bias - but in an inside session as we saw both a lower high and a higher low. Slow stochastics are overcooked, but the RSI (67.4) has headroom remaining. The MACD points higher, whereas major averages are bearish. We remain bullish for now, but a consolidation or retracement may be due in the coming sessions. Nearby resistance remains at \$2.247 and then at \$2.403, with support expected at the 100-day ma (\$2.079) and then at \$1.905.

CRUDE OIL: WTI

WTI (\$/barrel)	07-May	06-May	Change (Δ)	
JUN4	\$78.38	\$78.48	↓	-\$0.10 -0.1%
JUL4	\$78.06	\$78.14	↓	-\$0.08 -0.1%
AUG4	\$77.68	\$77.74	↓	-\$0.06 -0.1%



NATURAL GAS: HH

NG (\$/MMBTU)	7-May	6-May	Change (Δ)	
JUN4	\$2.2070	\$2.1950	↑	\$0.0120 +0.5%
JUL4	\$2.4710	\$2.4630	↑	\$0.0080 +0.3%
AUG4	\$2.5730	\$2.5700	↑	\$0.0030 +0.1%



ECONOMIC INDICATORS

INDICATOR	7-May	6-May	Change (Δ)	
DJI	38,866	38,852	↑	13.74 +0.0%
Dollar Index (DXY)	105.42	105.05	↑	0.37 +0.4%
EUR/USD	\$1.0751	\$1.0768	↓	-\$0.0017 -0.2%
Gold	\$2,324.3	\$2,321.6	↑	\$2.7 +0.1%

EIA Inventories

COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mdbl)	460.890	453.625	↑	7.265 1.6%
Cushing (mdbl)	33.456	32.367	↑	1.089 3.4%
Distillates (mdbl)	115.850	116.582	↓	-0.732 -0.6%
East Coast	27.168	27.548	↓	-0.380 -1.4%
Heating Oil	7.207	7.386	↓	-0.179 -2.4%
East Coast	0.806	0.560	↑	0.246 43.9%
ULSD	106.327	107.054	↓	-0.727 -0.7%
East Coast	25.661	26.424	↓	-0.763 -2.9%
New England	3.452	3.938	↓	-0.486 -12.3%
Mid Atlantic	12.802	13.206	↓	-0.404 -3.1%
Propane (mdbl)	56.922	56.675	↑	0.247 0.4%
East Coast	4.661	3.937	↑	0.724 18.4%
Refinery Utilization (%)	87.50	88.50	↓	-1.000 -1.1%
Natural Gas (bcf)	2,484	2,425	↑	59 2.4%

NYMEX FORWARD CURVES

MONTH	ULSD	RBOB	WTI	NAT GAS
JUN4	\$2.4656	\$2.5434	\$78.38	\$2.207
JUL4	\$2.4790	\$2.5183	\$78.06	\$2.471
AUG4	\$2.4924	\$2.4830	\$77.68	\$2.573
SEP4	\$2.5056	\$2.4337	\$77.24	\$2.578
OCT4	\$2.5144	\$2.2364	\$76.76	\$2.661
NOV4	\$2.5149	\$2.1702	\$76.29	\$3.040
DEC4	\$2.5108	\$2.1301	\$75.84	\$3.555

