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

The complex opened higher, with crude futures on course to rise for a third session, but we came off as the session wore on. In European news, the French CPI rose by 0.1% month-to-month and 2.1% year-on-year in the preliminary reading for June, both above forecasts at 0.0% and 2.3%, respectively. The French CAC fell by 0.68% today. The German unemployment rate saw a surprise 0.1 percentage point rise to 6.0% this month, but the DAX saw a smaller dip of 0.14%. The UK FTSE 100 shed 0.19%. In US news, personal incomes grew by 0.5% in May, above the 0.4% expectation. The Core PCE, the Fed's preferred inflationary measure, rose by 0.1% month-to-month and 2.6% year-on-year, as expected. As of this writing, the major US stock market indexes were just south of the unchanged mark. Whereas this was unresponsive, a 0.1% dip in the US dollar index in its second session lower was supportive. Also supportive was the Baker Hughes weekly US oil rig count, which showed the loss of 6 rigs last week. This left the count at 479, which is 66 lower than last year and the lowest since December of 2021.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$81.86	\$82.72	\$80.97	\$81.54	-\$0.20	-0.2%
BRENT Crude	\$86.56	\$87.22	\$86.24	\$86.41	+\$0.02	+0.0%
ULSD (HO)	\$2.5598	\$2.5700	\$2.5133	\$2.5169	-\$0.0307	-1.2%
RBOB Gasoline	\$2.5466	\$2.5660	\$2.5210	\$2.5291	-\$0.0165	-0.6%
Natural Gas	\$2.702	\$2.765	\$2.594	\$2.601	-\$0.084	-3.1%

TECHNICAL LEVELS: ULSD (HO)		Price	
RESISTANCE	↑	3	\$2.6439
		2	\$2.5979
		1	\$2.5500
SETTLEMENT PRICE		\$2.5169	
SUPPORT	↓	1	\$2.4973
		2	\$2.4618
		3	\$2.4537

VOLUME	133,616	HIGH
RSI	56.7	NEUTRAL
SLOW STOCHASTICS		NEUTRAL
MACD		BULLISH
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BEARISH
ADX	21.8	RISING
TECHNICAL DIRECTION		➔

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

Natural gas futures on NYMEX lost ground for a fourth consecutive session today, despite a drop in the rig count, a tighter market balance forecast for next week, and a higher CDD forecast. Dutch TTF prices also fell, by 4 cents to \$10.67/mmBtu, but the Japan Korea Marker rose by 4 cents to \$12.66/mmBtu. In supportive US news, the GFS raised its two-week CDD forecast by 4 to 249, which is highly elevated compared to last year's 202 CDDs and the 30-year average of 192. LSEG analysts raised their total US demand forecast for next week by 0.9 to 100.8bcf/d while trimming their supply forecast by 0.1 to 107.2bcf/d, implying smaller daily storage injections of 6.4bcf. Baker Hughes reported the loss of 1 US natural gas rig this week. At 97, the current count is 27 lower than last year and the lowest since August 2021. Out in the Atlantic, the National Hurricane Center is tracking a disturbance that it gives a near 100 percent chance for tropical cyclone formation over the next 48 hours as it moves westwards towards the Windward Islands.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	28-Jun	27-Jun	Change (Δ)	
JUL4	\$2.5169	\$2.5476	↓	\$0.0307 -1.2%
AUG4	\$2.5331	\$2.5629	↓	\$0.0298 -1.2%
SEP4	\$2.5489	\$2.5759	↓	\$0.0270 -1.0%
Strip: 12-Months Ratable	\$2.5319	\$2.5524	↓	\$0.0205 -0.8%
Strip: 9-Months Ratable	\$2.5438	\$2.5664	↓	\$0.0226 -0.9%
Strip: Winter (Oct-Apr)	\$2.5356	\$2.5528	↓	\$0.0172 -0.7%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	28-Jun	27-Jun	Change (Δ)		
JUL4	\$2.5291	\$2.5456	↓	\$0.0165 -0.6%	
AUG4	\$2.5015	\$2.5268	↓	\$0.0253 -1.0%	
SEP4	\$2.4710	\$2.4936	↓	\$0.0226 -0.9%	
PROPANE (\$/gallon)		27-Jun	26-Jun	Change (Δ)	
Mt. Belvieu	\$0.8225	\$0.8050	↑	\$0.018	+2.2%
Conway	\$0.7950	\$0.7775	↑	\$0.018	+2.3%



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

NYMEX HO futures turned south today, falling 1.2% in a downside session (lower high and a lower low), settling right on the 9-day ma (\$2.5169). We remain neutral, looking to see if bears can follow though, as the chart picture is mixed with a bullish MACD but bearish major averages and otherwise neutral indicators. We continue to look to \$2.4973 and then to the 50-day ma (\$2.4618) for next support, and to \$2.5500 and then to \$2.5979 for nearby resistance. RBOB futures slipped 0.6% lower today, which was inconsistent with our neutral/bullish view. The August contract, which becomes the front month on Monday, settled just above \$2.4932 support, and so see will continue to keep an eye there and then on the 18-day ma (\$2.4502). We look to \$2.5514 and then to \$2.6000 for nearby resistance. We remain neutral/bullish for the moment. WTI gapped higher overnight, but shed 0.2% in an upside session (higher high and a higher low). We did not receive the bullish confirmation we were looking out for and remain sidelined. Next resistance is still expected at \$82.88 and then at \$87.63, with nearby support seen at the 9-day (\$81.25), 200-day ma (\$79.49), and 18-day ma (\$78.93) moving averages. Lastly, NYMEX natural gas futures continue to fall in a manner consistent with our directional view. Slow stochastics are approaching oversold territory but have yet to enter it, and the RSI (46.8) has room to fall. Major averages are bullish, but candlesticks are bearish and the MACD is neutral. We continue to favor the downside, seeing next resistance at the 200-day ma (\$2.468), followed by \$2.403, whereas \$2.657 and then \$2.898 should offer resistance.

CRUDE OIL: WTI				
WTI (\$/barrel)	28-Jun	27-Jun	Change (Δ)	
AUG4	\$81.54	\$81.74	↓	-\$0.20 -0.2%
SEP4	\$80.64	\$80.83	↓	-\$0.19 -0.2%
OCT4	\$79.76	\$79.98	↓	-\$0.22 -0.3%



NATURAL GAS: HH				
NG (\$/MMBTU)	28-Jun	27-Jun	Change (Δ)	
AUG4	\$2.6010	\$2.6850	↓	-\$0.0840 -3.1%
SEP4	\$2.5980	\$2.6750	↓	-\$0.0770 -2.9%
OCT4	\$2.6920	\$2.7620	↓	-\$0.0700 -2.5%



ECONOMIC INDICATORS				
INDICATOR	28-Jun	27-Jun	Change (Δ)	
DJI	39,032	39,164	↓	-132.38 -0.3%
Dollar Index (DXY)	105.84	105.91	↓	-0.07 -0.1%
EUR/USD	\$1.0712	\$1.0702	↑	\$0.0010 +0.1%
Gold	\$2,327.0	\$2,324.5	↑	\$2.5 +0.1%

EIA Inventories Week to: 21-Jun-2024				
COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mmbbl)	460.696	457.105	↑	3.591 0.8%
Cushing (mmbbl)	33.896	34.122	↓	-0.226 -0.7%
Distillates (mmbbl)	121.263	121.640	↓	-0.377 -0.3%
East Coast	32.957	30.944	↑	2.013 6.5%
Heating Oil	7.716	7.310	↑	0.406 5.6%
East Coast	1.101	0.713	↑	0.388 54.4%
ULSD	111.027	111.634	↓	-0.607 -0.5%
East Coast	31.283	29.621	↑	1.662 5.6%
New England	4.124	3.879	↑	0.245 6.3%
Mid Atlantic	16.246	14.906	↑	1.340 9.0%
Propane (mmbbl)	73.535	71.443	↑	2.092 2.9%
East Coast	6.233	5.887	↑	0.346 5.9%
Refinery Utilization (%)	92.20	93.50	↓	-1.300 -1.4%
Natural Gas (bcf)	3,097	3,045	↑	52 1.7%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
JUL4	\$2.5169	\$2.5291	\$81.54	\$2.601
AUG4	\$2.5331	\$2.5015	\$80.64	\$2.598
SEP4	\$2.5489	\$2.4710	\$79.76	\$2.692
OCT4	\$2.5578	\$2.2836	\$79.00	\$3.081
NOV4	\$2.5574	\$2.2251	\$78.34	\$3.558
DEC4	\$2.5516	\$2.1857	\$77.74	\$3.824
JAN5	\$2.5520	\$2.1687	\$77.17	\$3.662

