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

The complex closed higher for a fourth consecutive session today amid gains in European equities, despite sizeable losses in US stock market indexes, a significantly stronger dollar, and a bearish weekly EIA inventory report. European stock markets closed higher today with the German DAX adding 0.58%, the French CAC 40 rising 0.18%, and the UK FTSE 100 leading the way higher with a 1.07% gain. In economic news today, the final S&P Global US Manufacturing PMI for December came in at 49.4, a surprise upward revision from the 48.3 flash estimate. Also supportive, weekly initial jobless claim fell from 220,000 to 211,000, while forecasts called for an increase to 225,000. In the unsupportive column, construction spending figures in the US for November stalled, rather than continuing at a 0.3% rate as predicted. As of this writing, the Dow was down 0.53%, the Nasdaq was off 0.51%, and the S&P 500 had lost 0.47%. The US dollar index was up 0.8%, which is also unsupportive for crude oil futures. Weekly EIA inventory data were unsupportive across the board as both crude oil and propane inventories saw smaller than predicted draws, while gasoline and distillate inventories saw very large and unexpected builds in inventories for the week ended December 27.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$71.85	\$73.73	\$71.79	\$73.13	+\$1.41	+2.0%
BRENT Crude	\$74.93	\$76.55	\$74.72	\$75.93	+\$1.29	+1.7%
ULSD (HO)	\$2.3192	\$2.3722	\$2.3070	\$2.3540	+\$0.0376	+1.6%
RBOB Gasoline	\$2.0090	\$2.0729	\$2.0088	\$2.0519	+\$0.0427	+2.1%
Natural Gas	\$3.656	\$3.801	\$3.541	\$3.660	+\$0.027	+0.7%

TECHNICAL LEVELS: ULSD (HO)			Price
RESISTANCE	↑	3	\$2.5000
		2	\$2.4000
		1	\$2.3652
SETTLEMENT PRICE			\$2.3540
SUPPORT	↓	1	\$2.3000
		2	\$2.2908
		3	\$2.2000

VOLUME	161,468	AVERAGE
RSI	67.2	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		BULLISH
CANDLE STICKS		BULLISH
MOVING AVERAGES		NEUTRAL
ADX	11.3	RISING
TECHNICAL DIRECTION		↑

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures turned back north today amid higher international prices, a slight upgrade to the two-week HDD forecast, and a tighter US market balance expectation for next week. Today, Dutch TTF prices rose by 48 cents to \$15.17/mmBtu and the Japan Korea Marker price added 8 cents to hit \$14.24/mmBtu. The GFS raised its two-week US heating degree day forecast by 1 to 493, which is well above both last year's 416 HDDs and the 30-year average of 443. In more supportive US news, LSEG analysts raised their total US demand forecast for next week by 0.4 to 144.8bcf/d, while raising their supply forecast by just 0.1 to 114.7bcf/d, implying slightly larger withdrawals from storage of 30.1bcf/d. US cash market prices were on the rise yesterday as the Henry Hub cash price edged up 1 cent to \$3.40/mmBtu, Transco Zone 6 prices in New York added 38 cents to hit \$3.18/mmBtu, and prices at the Algonquin citygate jumped \$1.85 cents higher to \$4.75/mmBtu. As of this writing, the GFS sees below-normal temperatures across the eastern two-thirds of the country over the next five days. The 6-10 outlook is also supportive as below-normal temperatures are expected in both the Midwest and Northeast, save for most of Maine where mostly above-normal temperatures are seen in the forecast. The weekly EIA US natural gas storage report is due tomorrow morning, expected to show a 124bcf withdrawal that would top last year's 35bcf drop in storage levels and the 104bcf five-year average for the reporting week.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	2-Jan	31-Dec	Change (Δ)	
FEB5	\$2.3540	\$2.3206	↑	\$0.0334 +1.4%
MAR5	\$2.3164	\$2.3012	↑	\$0.0152 +0.7%
APR5	\$2.2992	\$2.2944	↑	\$0.0048 +0.2%
Strip: 12-Months Ratable	\$2.2811	\$2.2508	↑	\$0.0303 +1.3%
Strip: 9-Months Ratable	\$2.2865	\$2.2560	↑	\$0.0306 +1.4%
Strip: Winter (Jan-Apr)	\$2.3231	\$2.2979	↑	\$0.0252 +1.1%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	2-Jan	31-Dec	Change (Δ)		
FEB5	\$2.0519	\$2.0015	↑	\$0.0504 +2.5%	
MAR5	\$2.0715	\$2.0092	↑	\$0.0623 +3.1%	
APR5	\$2.0291	\$2.0085	↑	\$0.0206 +1.0%	
PROPANE (\$/gallon)		31-Dec	30-Dec	Change (Δ)	
Mt. Belvieu	\$0.8150	\$0.7800	↑	\$0.035	+4.5%
Conway	\$0.8150	\$0.7925	↑	\$0.023	+2.8%



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

ULSD futures jumped 1.6% higher in an upside session today – consistent with our bullish bias which we maintain. Slow stochastics, the RSI, candlesticks, and the MACD all point higher. We continue to look to the 200-day ma (\$2.3652) and then to \$2.4000 for resistance, while \$2.3000 and then the top of the downward price channel remain our nearby support. We were also bullish regarding RBOB futures and were rewarded as futures shot up 2.1% in an upside session. Bulls took out the 100-day ma (\$2.0385), which now becomes nearby support followed by \$1.9698, while \$2.1000 and then \$2.2000 psychological levels are expected to offer resistance. We continue to favor the upside. Similar to products, WTI added 2.0% in an upside session – also in line with our bullish bias which we maintain. We now see nearby resistance at the 200-day ma (\$75.64) and then at \$79.63, while the top of the price channel and the 100-day ma (\$70.91) are our nearby support levels. Slow stochastics are overbought now, but the RSI still has some headroom. Natural gas futures on NYMEX edged up 0.7% but in a downside session (lower high, lower low). Slow stochastics point lower now, while the RSI and candlesticks are neutral. Meanwhile, the MACD still points higher. We remain bullish for one more session, still seeing nearby resistance at the 9-day ma (\$3.711 – held up to a test) and then at the top of the price channel, while \$3.480 and \$3.204 are seen offering support.

CRUDE OIL: WTI				
WTI (\$/barrel)	02-Jan	31-Dec	Change (Δ)	
FEB5	\$73.13	\$71.72	↑	\$1.41 +2.0%
MAR5	\$71.25	\$70.53	↑	\$0.72 +1.0%
APR5	\$72.01	\$70.86	↑	\$1.15 +1.6%



NATURAL GAS: HH				
NG (\$/MMBTU)	2-Jan	31-Dec	Change (Δ)	
FEB5	\$3.6600	\$3.6330	↑	\$0.0270 +0.7%
MAR5	\$3.1430	\$3.0980	↑	\$0.0450 +1.5%
APR5	\$3.1120	\$3.0700	↑	\$0.0420 +1.4%



ECONOMIC INDICATORS				
INDICATOR	31-Dec	30-Dec	Change (Δ)	
DJI	42,358	42,544	↓	-186.37 -0.4%
Dollar Index (DXY)	109.36	108.49	↑	0.88 +0.8%
EUR/USD	\$1.0255	\$1.0353	↓	-\$0.0098 -0.9%
Gold	\$2,663.1	\$2,629.2	↑	\$33.9 +1.3%

EIA Inventories				
		Week to: 27-Dec-2024		
COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mmbbl)	415.601	416.779	↓	-1.178 -0.3%
Cushing (mmbbl)	22.540	22.682	↓	-0.142 -0.6%
Distillates (mmbbl)	122.867	116.461	↑	6.406 5.5%
East Coast	36.627	34.295	↑	2.332 6.8%
Heating Oil	5.337	5.753	↓	-0.416 -7.2%
East Coast	0.638	0.820	↓	-0.182 -22.2%
ULSD	115.158	108.398	↑	6.760 6.2%
East Coast	35.401	32.920	↑	2.481 7.5%
New England	5.268	4.743	↑	0.525 11.1%
Mid Atlantic	17.753	18.028	↓	-0.275 -1.5%
Propane (mmbbl)	85.043	85.595	↓	-0.552 -0.6%
East Coast	7.496	7.411	↑	0.085 1.1%
Refinery Utilization (%)	92.70	92.50	↑	0.200 0.2%
Natural Gas (bcf)	3,529	3,622	↓	-93 -2.6%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
FEB25	\$2.3540	\$2.0519	\$73.13	\$3.660
MAR25	\$2.3331	\$2.0715	\$72.50	\$3.143
APR25	\$2.2992	\$2.2674	\$72.01	\$3.112
MAY25	\$2.2757	\$2.2674	\$71.60	\$3.199
JUN25	\$2.2616	\$2.2494	\$71.21	\$3.382
JUL25	\$2.2608	\$2.2218	\$70.83	\$3.565
AUG25	\$2.2622	\$2.1863	\$70.43	\$3.601

