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

The complex saw see-saw trade near the unchanged mark today, with strength in the dollar, weakness in equities, and an agreement over leadership of the Libyan central bank likely weighing on the price action, whereas Middle East tensions following Israeli attacks against Hamas, Hezbollah, and the Houthis were supportive. In US news, the International Longshoremen's Association union looks set to strike tomorrow, which would impact loadings from the Gulf Coast all the way up the East Coast. In economic news today, Q2 UK GDP growth saw a surprise downward revision to 0.5%, but the UK Nationwide House Price Index saw a larger than predicted jump of 0.7% this month. The preliminary September CPI saw a 0.2% drop in the price level, and the German CPI held steady against expectations for a 0.1% rise. The German DAX fell 0.76% today, while the UK FTSE 100 dropped 1.01% lower and the French CAC 40 sold off 2.00%. In US economic news, the Chicago PMI saw a surprise rise to 46.6 this month. As of this writing, the Dow was off by 0.1%, the S&P 500 had shed 0.1%, and the Nasdaq was down by 0.2%.

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	↑	3 \$2.3647
		2 \$2.2607
		1 \$2.2000
SETTLEMENT PRICE		\$2.1318
SUPPORT	↓	1 \$2.1519
		2 \$2.1321
		3 \$2.1000

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$68.63	\$69.32	\$67.57	\$68.17	-\$0.01	-0.0%
BRENT Crude	\$72.50	\$73.17	\$71.26	\$71.77	-\$0.21	-0.3%
ULSD (HO)	\$2.1476	\$2.1670	\$2.1213	\$2.1318	-\$0.0009	-0.0%
RBOB Gasoline	\$1.9530	\$1.9857	\$1.9530	\$1.9621	+\$0.0091	+0.5%
Natural Gas	\$2.899	\$2.948	\$2.865	\$2.923	+\$0.021	+0.7%

VOLUME	153,375	AVERAGE
RSI	43.1	NEUTRAL
SLOW STOCHASTICS		BEARISH
MACD		NEUTRAL
CANDLE STICKS		BEARISH
MOVING AVERAGES		BEARISH
ADX	26.6	FLAT
TECHNICAL DIRECTION		↓

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures saw modest strength today, with higher international gas prices, despite unresponsive shifts in the US outlook. Dutch TTF prices increased by 21 cents to \$12.68/mmBtu, and the Japan Korea Marker edged up by 2 cents to \$13.21/mmBtu. In unresponsive US news, the GFS cut its two-week US CDD forecast by 3 to 94, although this is elevated compared to last year's 75 CDDs and the 30-year average of 61. Also unresponsive, LSEG analysts cut their total US demand forecast for the current week by 2.5 to 95.9bcf/d, while raising their supply forecast by 1.1 to 109.9bcf/d. The market is expected to tighten back up some next week, however, as demand rises by 0.7 to 96.6bcf/d and supply sees a smaller dip of 0.3 to 109.6bcf/d. The Atlantic is quite active with storm activity. Tropical Depression Joyce is in the open ocean and no threat to land as it moves northwards, and Post-Tropical Cyclone Isaac is headed for waters west of Ireland. Tropical Storm Kirk is headed west, but is expected to veer northwest towards Bermuda. The NHC is also tracking two disturbances, one south of the Cabo Verde Islands, and one in the Caribbean, but both are given low chances for tropical cyclone formation over the next two days.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	30-Sep	27-Sep	Change (Δ)	
OCT4	\$2.1318	\$2.1327	↓	\$0.0009 -0.0%
NOV4	\$2.1544	\$2.1513	↑	\$0.0031 +0.1%
DEC4	\$2.1631	\$2.1591	↑	\$0.0040 +0.2%
Strip: 12-Months Ratable	\$2.1669	\$2.1622	↑	\$0.0046 +0.2%
Strip: 9-Months Ratable	\$2.1610	\$2.1571	↑	\$0.0039 +0.2%
Strip: Winter (Oct-Apr)	\$2.1666	\$2.1622	↑	\$0.0045 +0.2%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	30-Sep	27-Sep	Change (Δ)		
OCT4	\$1.9621	\$1.9530	↑	\$0.0091 +0.5%	
NOV4	\$1.9351	\$1.9270	↑	\$0.0081 +0.4%	
DEC4	\$1.9062	\$1.8995	↑	\$0.0067 +0.4%	
PROPANE (\$/gallon)		27-Sep	26-Sep	Change (Δ)	
Mt. Belvieu	\$0.5875	\$0.5875	→	\$0.0000 +0.0%	
Conway	\$0.6150	\$0.6150	→	\$0.0000 +0.0%	



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

HO futures gapped higher over the weekend but came off and settled just 9 points below the unchanged mark. We remain neutral/bearish for now, given bearish slow stochastics, candlesticks, major averages, and an ADX that is strong enough to indicate a downtrend. There was a carry in the front switch, and so we now look to the 9-day ma (\$2.1519) and then to the 18-day ma (\$2.1321) for nearest support, with next resistance at the \$2.2000 psychological level followed by the 50-day ma at \$2.2607. RBOB futures edged up 0.5% today in an upside session (higher high and a higher low), settling just below the 18-day ma (\$1.9633), which is nearby resistance followed by the 9-day ma (\$2.0004). Nearby support is expected at \$1.8846 and then at \$1.8545. Slow stochastics are bearish, candlesticks are trending southwards, the ADX indicates a strong downtrend is in place, and the major averages are bearish, but the MACD is neutral. We continue to favor downside chances for now. We are neutral/bearish regarding WTI, which edged down one cent today, but in an upside session. Slow stochastics are bearish, as are the major averages, and the MACD is looking set to cross bearishly as well. We remain sided with the bears, looking to \$65.27 (recent low) and then to \$63.85 for support, and to the 18-day ma (\$69.33, tested and held today) and then to \$69.73 and the 9-day ma (\$70.05) for nearby resistance. Natural gas futures added 0.7% today in an upside session, and we are now neutral/bullish, but note that both slow stochastics and the RSI are overbought. On the other hand, the MACD, candlesticks, and major averages point higher. We see next resistance at \$3.000 and then at \$3.204, with support at \$2.700 and then at the 9-day ma (\$2.585).

CRUDE OIL: WTI				
WTI (\$/barrel)	30-Sep	27-Sep	Change (Δ)	
NOV4	\$68.17	\$68.18	↓	\$0.01 -0.0%
DEC4	\$67.67	\$67.19	↑	\$0.48 +0.7%
JAN5	\$67.50	\$67.34	↑	\$0.16 +0.2%

NATURAL GAS: HH				
NG (\$/MMBTU)	30-Sep	27-Sep	Change (Δ)	
NOV4	\$2.9230	\$2.9020	↑	\$0.0210 +0.7%
DEC4	\$3.3450	\$3.3040	↑	\$0.0410 +1.2%
JAN5	\$3.6020	\$3.5670	↑	\$0.0350 +1.0%



ECONOMIC INDICATORS				
INDICATOR	27-Sep	26-Sep	Change (Δ)	
DJI	42,110	42,313	↓	-203.26 -0.5%
Dollar Index (DXY)	100.85	100.38	↑	0.47 +0.5%
EUR/USD	\$1.1124	\$1.1176	↓	-\$0.0052 -0.5%
Gold	\$2,627.3	\$2,644.3	↓	-\$17.0 -0.6%

EIA Inventories				Week to:	20-Sep-2024
COMMODITY	Current	Previous	Change (Δ)		
Crude Oil (mmbbl)	413,042	417,513	↓	-4,471	-1.1%
Cushing (mmbbl)	22,827	22,711	↑	0,116	0.5%
Distillates (mmbbl)	122,921	125,148	↓	-2,227	-1.8%
East Coast	36,652	35,187	↑	1,465	4.2%
Heating Oil	6,722	6,531	↑	0,191	2.9%
East Coast	0,880	0,921	↓	-0,041	-4.5%
ULSD	113,788	115,956	↓	-2,168	-1.9%
East Coast	35,132	33,627	↑	1,505	4.5%
New England	5,168	5,164	↑	0,004	0.1%
Mid Atlantic	18,162	17,587	↑	0,575	3.3%
Propane (mmbbl)	97,560	99,107	↓	-1,547	-1.6%
East Coast	7,822	8,274	↓	-0,452	-5.5%
Refinery Utilization (%)	90.90	92.10	↓	-1,200	-1.3%
Natural Gas (bcf)	3,492	3,445	↑	47	1.4%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
OCT4	\$2.1318	\$1.9621	\$68.17	\$2.923
NOV4	\$2.1544	\$1.9351	\$67.77	\$3.345
DEC4	\$2.1631	\$1.9062	\$67.50	\$3.602
JAN5	\$2.1716	\$1.8973	\$67.32	\$3.484
FEB25	\$2.1745	\$1.9049	\$67.20	\$3.184
MAR25	\$2.1689	\$1.9261	\$67.11	\$3.028
APR25	\$2.1607	\$2.1072	\$67.02	\$3.061

