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

The complex saw mixed trade near the unchanged mark today, ending mixed. In supportive news, the President is expected to announce tariffs on Mexican and Canadian goods, which may include oil, tomorrow. However, these sources indicated that collections would not begin until March 1, granting time for continued negotiations to take place. Trade in equities was also supportive today, with softer than expected German and French consumer price pressures, despite an as-expected rise in Eurozone unemployment and a surprise drop in German retail sales. The DAX edged up 0.02%, the CAC added 0.11%, and the FTSE 100 rose by 0.31%. In US news, personal incomes grew by 0.4% last month, as expected, and personal consumption expenditures growth of 0.7% topped the 0.5% forecast. The Core PCE, the Fed's preferred measure of inflation, rose by 0.2% month-to-month and 2.8% year-on-year - both matching expectations. As of this writing, the Dow was up 0.1%, the S&P 500 had gained 0.7%, and the Nasdaq had jumped 1.2% higher. The US dollar index was up 0.1%, which was unresponsive, as was a rise in the US oil rig count. Rigs rebounded from last week's drop, rising by 7 to 479.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$73.20	\$73.49	\$71.94	\$72.53	-\$0.20	-0.3%
BRENT Crude	\$77.25	\$77.51	\$76.48	\$76.76	-\$0.11	-0.1%
ULSD (HO)	\$2.4991	\$2.5047	\$2.4370	\$2.4845	+\$0.0091	+0.4%
RBOB Gasoline	\$2.0570	\$2.0570	\$2.0098	\$2.0365	-\$0.0009	-0.0%
Natural Gas	\$3.081	\$3.118	\$2.990	\$3.044	-\$0.003	-0.1%

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	↑	3 \$2.5000
		2 \$2.4838
		1 \$2.4000
SETTLEMENT PRICE		\$2.4845
SUPPORT	↓	1 \$2.3448
		2 \$2.3298
		3 \$2.2669

VOLUME	178,089	LOW
RSI	57.0	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		NEUTRAL
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BULLISH
ADX	28.8	FALLING
TECHNICAL DIRECTION		→

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

Natural gas futures saw see-saw trade relatively close to the unchanged mark today, with higher European gas prices and a lower US rig count on the one hand, and unresponsive shifts in the US HDD and market balance forecasts on the other. LSEG analysts cut their total US demand forecast for next week by 0.9 to 123.8bcf/d while raising their supply forecast by 0.8 to 114.0bcf/d, implying smaller withdrawals from storage of 9.8bcf/d. Also unresponsive, the GFS cut its two-week US HDD forecast by 18 to 362. This is still above last year's 309 HDDs but below the 30-year average of 422. Most of the country is expected to see warmer than normal temperatures over the next five days, but parts of New England are expected to be colder than normal. The 6-10 day forecast is a mixed bag, as the Upper Midwest is expected to cool, whereas the Northeast is expected to see near-normal temperatures. In slightly supportive supply-side news, Baker Hughes reported the loss of 1 US gas rig this week, leaving the count at 98 which is 19 lower than last year. Dutch TTF prices were up by 41 cents at \$16.12/mmBtu earlier, but the Japan Korea Marker fell by 7 cents to \$14.23/mmBtu. In the US cash market yesterday, Henry Hub prices fell by 26 cents to \$3.12/mmBtu, Transco Zone 6 prices in New York fell by 11 cents to \$2.88/mmBtu, and Algonquin citygate prices dropped by \$4.59 to \$11.66/mmBtu.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	31-Jan	30-Jan	Change (Δ)
FEB5	\$2.4845	\$2.4754	↑ \$0.0091 +0.4%
MAR5	\$2.3973	\$2.4006	↓ \$0.0033 -0.1%
APR5	\$2.3506	\$2.3537	↓ \$0.0031 -0.1%
Strip: 12-Months Ratable	\$2.3164	\$2.3172	↓ \$0.0008 -0.0%
Strip: 9-Months Ratable	\$2.3308	\$2.3314	↓ \$0.0007 -0.0%
Strip: Winter (Jan-Apr)	\$2.4027	\$2.4019	↑ \$0.0008 +0.0%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	31-Jan	30-Jan	Change (Δ)	
FEB5	\$2.0365	\$2.0374	↓ \$0.0009 -0.0%	
MAR5	\$2.0588	\$2.0665	↓ \$0.0077 -0.4%	
APR5	\$2.2852	\$2.2889	↓ \$0.0037 -0.2%	
PROPANE (\$/gallon)		30-Jan	29-Jan	Change (Δ)
Mt. Belvieu	\$0.8863	\$0.8950	↓ -\$0.009 -1.0%	
Conway	\$0.8850	\$0.9063	↓ -\$0.021 -2.4%	



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

February ULSD futures went off the board fairly quietly, edging up 0.4% today in an upside session. There is heavy backwardation in the front switch, with March futures at just under \$2.4000/g - which becomes nearby resistance followed by the 9-day ma (\$2.4838, reinforced by the 18-day ma at \$2.4923). We look next to the 200-day ma (\$2.3448) and then to the 50-day ma (\$2.3298) for support. Indicators are either neutral or bullish, but we remain sidelined for now. RBOB futures closed almost unchanged, but here there is a carry in the forward curve as March futures are at about \$2.0550/g. We continue to look to the 100-day ma (\$2.0117) and then to \$1.9698 for support, whereas the 18-day ma (\$2.0659) and then \$2.1000 should offer nearest resistance. With a mixed chart picture and largely sideways trade over the past five sessions, we remain neutral. WTI gapped higher overnight, only to slip 0.3% lower in a downside session. There was a test of the \$72.38 support (top of the price channel) and a threat to the 50-day ma (\$71.89) but we settled above both of these levels and will continue to keep an eye on them. Slow stochastics are oversold but the RSI (44.5) has room yet to fall. The MACD is neutral, while candlesticks are bearish and the major averages are ever so slightly on the bullish side of neutral given that the 18-day ma is above the 200-day ma. Today's price action was consistent with our flat-to-lower price view, and we maintain this view. Lastly, natural gas futures edged down 0.1%, consistent with our bearish view. We settled below the 100-day ma (\$3.057) which is expected to offer nearest resistance, followed by \$3.204 and \$3.480. We look to \$2.800 and to the 200-day ma (\$2.678) for next support.

CRUDE OIL: WTI				
WTI (\$/barrel)	31-Jan	30-Jan	Change (Δ)	
MAR5	\$72.53	\$72.73	↓	-\$0.20 -0.3%
APR5	\$71.98	\$72.18	↓	-\$0.20 -0.3%
MAY5	\$71.38	\$71.61	↓	-\$0.23 -0.3%



NATURAL GAS: HH				
NG (\$/MMBTU)	31-Jan	30-Jan	Change (Δ)	
MAR5	\$3.0440	\$3.0470	↓	\$0.0030 -0.1%
APR5	\$3.0700	\$3.0700	→	\$0.0000 +0.0%
MAY5	\$3.1700	\$3.1990	↓	\$0.0290 -0.9%



ECONOMIC INDICATORS				
INDICATOR	30-Jan	29-Jan	Change (Δ)	
DJI	44,531	44,882	↓	-350.89 -0.8%
Dollar Index (DXY)	107.80	108.00	↓	-0.20 -0.2%
EUR/USD	\$1.0374	\$1.0420	↓	-\$0.0046 -0.4%
Gold	\$2,807.0	\$2,823.0	↓	-\$16.0 -0.6%

EIA Inventories				Week to: 24-Jan-2025	
COMMODITY	Current	Previous	Change (Δ)		
Crude Oil (mmbbl)	415.126	411.663	↑	3.463	0.8%
Cushing (mmbbl)	20.981	20.655	↑	0.326	1.6%
Distillates (mmbbl)	123.951	128.945	↓	-4.994	-3.9%
East Coast	32.252	34.808	↓	-2.556	-7.3%
Heating Oil	5.547	5.419	↑	0.128	2.4%
East Coast	0.657	0.693	↓	-0.036	-5.2%
ULSD	116.165	120.984	↓	-4.819	-4.0%
East Coast	31.177	33.681	↓	-2.504	-7.4%
New England	5.339	5.424	↓	-0.085	-1.6%
Mid Atlantic	14.941	15.882	↓	-0.941	-5.9%
Propane (mmbbl)	66.249	74.135	↓	-7.886	-10.6%
East Coast	4.501	5.368	↓	-0.867	-16.2%
Refinery Utilization (%)	83.50	85.90	↓	-2.400	-2.8%
Natural Gas (bcf)	2,571	2,892	↓	-321	-11.1%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
FEB25	\$2.4845	\$2.0365	\$72.53	\$3.044
MAR25	\$2.3973	\$2.0588	\$71.98	\$3.070
APR25	\$2.3506	\$2.2852	\$71.38	\$3.171
MAY25	\$2.3179	\$2.2868	\$70.78	\$3.378
JUN25	\$2.2946	\$2.2734	\$70.21	\$3.583
JUL25	\$2.2863	\$2.2484	\$69.66	\$3.643
AUG25	\$2.2818	\$2.2139	\$69.13	\$3.619

