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

Crude oil and refined products futures traded flat to lower today, pulling back after yesterday's rally, despite dimmed prospects for a Russia-Ukraine peace agreement. President Zelensky met with President Trump to sign an agreement on rare earth minerals, but an argument developed while taking questions from the media, and the President later stated that Zelensky is "not ready for peace" in a post. No agreement was signed. Losses today came amid a stronger dollar, with the index gaining 0.31% as of this writing, but despite flat to higher trade in equities. European stock market indexes posted modest gains, and the major US indexes were mixed but mostly higher this afternoon. In supportive supply-side news, Baker Hughes reported the loss of 2 US oil rigs this week, leaving the count at 486.

TECHNICAL LEVELS: ULSD (HO)			Price
RESISTANCE	↑	3	\$2.4878
		2	\$2.4292
		1	\$2.4069
SETTLEMENT PRICE			\$2.3549
SUPPORT	↓	1	\$2.3378
		2	\$2.3196
		3	\$2.2840

VOLUME	147,387	AVERAGE
RSI	42.1	NEUTRAL
SLOW STOCHASTICS		NEUTRAL
MACD		NEUTRAL
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BULLISH
ADX	17.5	FLAT
TECHNICAL DIRECTION		→

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$70.17	\$70.29	\$69.14	\$69.76	-\$0.59	-0.8%
BRENT Crude	\$73.72	\$73.84	\$72.97	\$73.18	-\$0.86	-1.2%
ULSD (HO)	\$2.3800	\$2.3800	\$2.3466	\$2.3549	-\$0.0410	-1.7%
RBOB Gasoline	\$1.9857	\$1.9857	\$1.9635	\$1.9703	-\$0.0263	-1.3%
Natural Gas	\$3.939	\$3.954	\$3.827	\$3.834	-\$0.100	-2.5%

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures fell further today with a rise in the rig count and along with international gas price. Bloomberg forecasts show Lower 48 gas demand rose by 2.9 to 98.8bcf/d today, while supply saw a smaller increase of 0.3 to 97.9bcf/d, implying withdrawals from storage of 0.9bcf/d. On the other hand, the latest GFS model calls for 239 heating degree days over the next two weeks, down from 299 previously and below the 300 30-year average for the reporting period. The latest 6-10 day forecast calls for near to above-normal temperatures in the Midwest, but near-normal temperatures on the East Coast. The 8-14 day forecast is similar, with warmer temps seen in the Midwest but near to below-normal temperatures in PADD 1. In unsupportive supply-side news, Baker Hughes reported the addition of 3 US gas rigs this week, putting the count back in triple digits at 102. Across the pond today, Dutch TTF prices dropped 28.3 cents lower to \$3.508/mmBtu and the Japan Korea Marker fell by 72.8 cents to \$13.552/mmBtu. In the US cash market yesterday, Henry Hub prices edged up one cent to \$3.91/mmBtu and Transco Zone 6 prices in New York jumped 29 cents higher to \$3.89/mmBtu, but Algonquin citygate prices fell by 10 cents to \$4.25/mmBtu and prices at the Chicago citygate fell by 13 cents to \$3.52/mmBtu.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	2/28/2025	2/27/2025	Change (Δ)	
MAR 25	\$2.3549	\$2.3959	↓	\$0.0410 -1.7%
APR 25	\$2.3150	\$2.3481	↓	\$0.0331 -1.4%
MAY 25	\$2.2610	\$2.2874	↓	\$0.0264 -1.2%
Strip: 12-Months Ratable	\$2.2410	\$2.2232	↑	\$0.0179 +0.8%
Strip: 9-Months Ratable	\$2.2485	\$2.2299	↑	\$0.0186 +0.8%
Strip: Winter (Feb-Apr)	\$2.3194	\$2.3012	↑	\$0.0182 +0.8%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	2/28/2025	2/27/2025	Change (Δ)		
MAR 25	\$1.9703	\$1.9966	↓	\$0.0263 -1.3%	
APR 25	\$2.2223	\$2.2418	↓	\$0.0195 -0.9%	
MAY 25	\$2.2266	\$2.2458	↓	\$0.0192 -0.9%	
PROPANE (\$/gallon)		2/27/2025	2/26/2025	Change (Δ)	
Mt. Belvieu	\$0.9256	\$0.9215	↑	0.00415 +0.5%	
Conway	\$0.9098	\$0.9094	↑	\$0.000 +0.0%	



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

We did not see bulls follow up on yesterday's HO gains. Instead, we saw a 1.7% drop in an inside session (lower high, but also a higher low) - consistent with our neutral view. We remain neutral for now, but note that the downward price channel has been followed quite well, and will be looking to see if bears take back the reins. We look to the 200-day ma (\$2.3378) and then to the 100-day ma (\$2.3196) for next support, whereas \$2.4069 and then the 18-day ma (\$2.4292) should offer resistance. Major averages are neutral/bullish but weakening, while other indicators are neutral. RBOB, similarly, fell by 1.3% in an inside session, and we remain sidelined, still seeing resistance at the bottom of the price channel, followed by the 100-day ma (\$2.0260), whereas the recent \$1.9297 low and then \$1.8849 should offer support. The 9-day ma has crossed down through the 100-day ma, a bearish indication, and the MACD is bearish as well, but slow stochastics are neutral as is the RSI. WTI gapped lower and shed 0.8% in an inside session. Major averages are bearish, as are the MACD and candlesticks, whereas slow stochastics and the RSI are neutral. We remain sidelined for the moment, expecting nearby support at the recent \$68.36 low, followed by the bottom of the sideways price channel at \$66.50, while keeping an eye on the 9-day ma (\$70.60), 18-day ma (\$71.10), and 100-day ma (\$71.42) overhead. We favored downside chances for NG and today's trade was kind to that view as prices fell by 2.5% in a downside session, with bears taking out the \$3.869 support. This becomes nearby resistance, followed by the 9-day ma (\$4.059) and the bottom of the price channel, whereas the 18-day (\$3.763) and 50-day (\$3.713) moving averages should offer nearby support, followed by \$3.467. Slow stochastics and candlesticks are bearish, whereas the ADX is too weak to indicate a trend and major averages are neutral/bullish. We continue to see flat-to-lower trade.

Friday, February 28, 2025

Tel: (800) 709-2949

CRUDE OIL: WTI				
WTI (\$/barrel)	2/28/2025	2/27/2025	Change (Δ)	
APR 25	\$69.76	\$70.35	↓	-\$0.59 -0.8%
MAY 25	\$69.34	\$69.95	↓	-\$0.61 -0.9%
JUN 25	\$68.87	\$69.50	↓	-\$0.63 -0.9%



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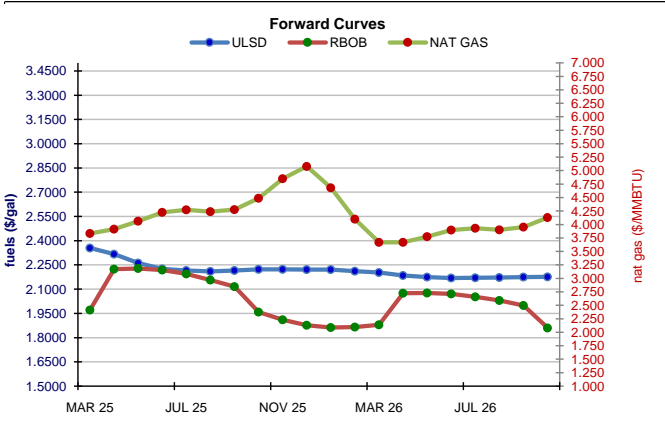
NATURAL GAS: HH				
NG (\$/MMBTU)	2/28/2025	2/27/2025	Change (Δ)	
APR 25	\$3.8340	\$3.9340	↓	\$0.1000 -2.5%
MAY 25	\$3.8960	\$3.9840	↓	\$0.0880 -2.2%
JUN 25	\$4.0440	\$4.1310	↓	\$0.0870 -2.1%



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ECONOMIC INDICATORS				
INDICATOR	28-Feb	27-Feb	Change (Δ)	
DJI	43,497	43,240	↑	257.70 +0.6%
Dollar Index (DXY)	107.57	107.24	↑	0.33 +0.3%
EUR/USD	\$1.0369	\$1.0397	↓	-\$0.0028 -0.3%
Gold	\$2,860.7	\$2,895.9	↓	-\$35.2 -1.2%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
Mar25	\$2.3549	\$1.9703	\$69.76	-\$0.083
Apr25	\$2.3150	\$2.2223	\$69.34	-\$0.071
May25	\$2.2610	\$2.2266	\$68.87	-\$0.070
Jun25	\$2.2247	\$2.2167	\$68.38	-\$0.067
Jul25	\$2.2135	\$2.1928	\$67.86	-\$0.071
Aug25	\$2.2097	\$2.1599	\$67.34	-\$0.074
Sep25	\$2.2146	\$2.1144	\$66.85	-\$0.071



EIA Inventories				
Week to:				21-Feb-2025
COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mdbl)	430.161	432.493	↓	-2.332 -0.5%
Cushing (mdbl)	24.573	23.291	↑	1.282 5.5%
Distillates (mdbl)	120.472	116.564	↑	3.908 3.4%
Heating Oil				
East Coast	28.765	28.505	↑	0.260 0.9%
East Coast	5.870	5.736	↑	0.134 2.3%
East Coast	0.786	0.700	↑	0.086 12.3%
ULSD				
East Coast	111.764	107.896	↑	3.868 3.6%
New England	27.498	27.257	↑	0.241 0.9%
Mid Atlantic	4.307	4.248	↑	0.059 1.4%
Propane (mdbl)				
East Coast	12.856	12.894	↓	-0.038 -0.3%
East Coast	51.546	55.268	↓	-3.722 -6.7%
East Coast	4.211	3.602	↑	0.609 16.9%
Refinery Utilization (%)	86.50	84.90	↑	1.600 1.9%
Natural Gas (bcf)	1,840	2,101	↓	-261 -12.4%

