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

The complex settled in the black today, featuring a further widening of crack spreads as gains of over one percent in futures for refined products outpaced those seen in crude. Today's gains came amid strength in the major US stock market indexes and a sell-off in the US dollar index, despite losses in European shares and a bearish crude oil and distillates storage report from the EIA. In economic news from the US today, ADP reported the addition of 155,000 private payrolls in March, well above the 120,000 Econoday consensus. Data on US factory orders also beat expectations by coming in at a growth rate of 0.6% month-on-month in February, slightly above the 0.5% forecast. The EIA reported unexpected losses in crude oil, distillates, and propane stockpiles, while reporting an as-expected draw from gasoline inventories (see our DOE report for details). The major US stock market indexes were trading higher this afternoon as the Dow was up 0.28%, the S&P 500 had gained 0.41%, and as the Nasdaq had risen by 0.72%. On the other hand, European shares closed lower today with the French CAC 40 losing 0.22%, the UK FTSE 100 falling by 0.30%, and with the German DAX dropping 0.66% lower. As of this writing, the US dollar had depreciated by 0.43%, which is supportive for crude oil prices.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$71.20	\$71.94	\$70.61	\$71.71	+\$0.51	+0.7%
BRENT Crude	\$74.52	\$75.14	\$73.85	\$74.95	+\$0.46	+0.6%
ULSD (HO)	\$2.2914	\$2.3256	\$2.2803	\$2.3220	+\$0.0331	+1.4%
RBOB Gasoline	\$2.3019	\$2.3343	\$2.2935	\$2.3310	+\$0.0285	+1.2%
Natural Gas	\$3.950	\$4.089	\$3.935	\$4.055	+\$0.104	+2.6%

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	↑	3 \$2.4878
		2 \$2.4069
		1 \$2.3513
SETTLEMENT PRICE		\$2.3220
SUPPORT	↓	1 \$2.3185
		2 \$2.2838
		3 \$2.2613

VOLUME	168,799	AVERAGE
RSI	55.2	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		NEUTRAL
CANDLE STICKS		BULLISH
MOVING AVERAGES		BEARISH
ADX	20.1	FALLING
TECHNICAL DIRECTION		➔

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures gained over 2% today despite largely unresponsive developments in the US market and lower international gas prices. Bloomberg analysts see total US demand falling from 94.4bcf/d yesterday to 90.2bcf/d today, while total US supply is seen falling by a smaller figure of 0.3 to 96.9bcf/d, implying larger storage injections of 6.7bcf/d. Also unresponsive, the GFS cut its two-week heating degree day forecast for the Lower 48 states by 24 to 132HDDs, further below the 30-year average of 175. Dutch TTF prices fell by 28.8 cents today to \$13.132/mmBtu and Japan Korea Marker prices dropped 45.6 cents lower to \$13.023/mmBtu. US cash market prices weakened along with futures yesterday as Henry Hub prices fell by 15 cents to \$3.96/mmBtu, Transco Zone 6 prices in New York lost 25 cents at \$3.37/mmBtu, and Chicago citygate prices dropped 28 cents lower to \$3.48/mmBtu. As of this afternoon, the latest 6-10 NOAA forecast calls for near- to below-normal temperatures across the eastern half of the country. The outlook over the next 8-14 days is slightly less supportive with the Midwest expected to see more mixed temperatures, while below-normal temperatures are seen throughout the eastern third of the US. The weekly EIA natural gas storage report is due tomorrow, expected to show a 26bcf build in natural gas storage for the week ended March 28.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	4/2/2025	4/1/2025	Change (Δ)	
MAY 25	\$2.3220	\$2.2889	↑	\$0.0331 +1.4%
JUN 25	\$2.2929	\$2.2655	↑	\$0.0274 +1.2%
JUL 25	\$2.2841	\$2.2588	↑	\$0.0253 +1.1%
Strip: 12-Months Ratable	\$2.2833	\$2.2557	↑	\$0.0276 +1.2%
Strip: 9-Months Ratable	\$2.2906	\$2.2612	↑	\$0.0294 +1.3%
Strip: Winter (Oct-Mar)	\$2.2671	\$2.2409	↑	\$0.0262 +1.2%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	4/2/2025	4/1/2025	Change (Δ)	
MAY 25	\$2.3310	\$2.3025	↑	\$0.0285 +1.2%
JUN 25	\$2.3152	\$2.2891	↑	\$0.0261 +1.1%
JUL 25	\$2.2917	\$2.2667	↑	\$0.0250 +1.1%
PROPANE (\$/gallon)		4/1/2025	3/31/2025	Change (Δ)
Mt. Belvieu	\$0.9194	\$0.8786	↑	0.04075 +4.6%
Conway	\$0.8281	\$0.8080	↑	\$0.0201 +2.5%



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

ULSD (HO) added 1.4% today in an upside session (higher high, higher low), featuring the 200-day ma (\$2.3185) being taken out in the process. The aforementioned 200-day ma now becomes nearby support followed by the 9-day ma (\$2.2838) and then the \$2.2613 top of our downward price channel. Next resistance can be seen at the 50-day ma (\$2.3513) and then at the \$2.4069 Fibonacci retracement. Slow stochastics have crossed over bullish and the RSI now points north. Major moving averages are bearish, while the MACD and candlesticks are neutral/bullish. We'll remain on the sidelines for now. RBOB futures gained 1.2% in yet another upside session, consistent with our neutral/bullish bias. Slow stochastics and the RSI are still overbought, while the MACD, ADX (31.8), candlesticks, and major moving averages are all bullish. We can now more firmly side with the bulls, seeing next resistance at \$2.3510 and then at the \$2.4000 mark. Nearby support can still be seen at the \$2.3000 mark followed by the 9-day ma (\$2.2491). WTI ended the day 0.7% higher but in a downside session (lower high, lower low), still consistent with our upside bias. The 100-day ma (\$70.70) was tested at the lows and we'll continue to look there for nearby support and then at 50-day ma (\$70.25), whereas the \$72.61 top of our sideways price channel and \$73.62 ought to offer resistance. Slow stochastics are now overbought but the RSI still has some headroom, while the MACD and today's candlestick are more neutral. On the other hand, major moving averages are bearish. We'll continue to favor upside chances for now. Lastly, natural gas futures rose by 2.6% today in a downside session. Slow stochastics, the RSI, and moving averages are all bullish, whereas the MACD is neutral and candlesticks over the past three sessions are bearish. With bulls taking out the 9-day ma (\$3.971) today, we see next support there and then at \$3.869. Nearby resistance can be seen at the 18-day ma (\$4.071 – tested and held today) followed by the \$4.500 mark. As with HO, we'll remain neutral for the time being.

