

Friday, May 2, 2025

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

The complex lost ground today with expected OPEC+ output hikes, despite strength in equities and weakness in the US dollar. According to Bloomberg, OPEC+ is moving up its meeting from May 5 to May 3, and is considering a production increase of 0.4mb/d for June. Economic data were mixed today. The final April S&P Global Composite PMI for France, Germany, and the Eurozone all saw surprise upward revisions, but Eurozone consumer price inflation was stronger than expected last month, per the preliminary reading. The FTSE 100 gained 1.17%, the CAC 40 jumped 2.33% higher, and the DAX rallied 2.62%; both the Paris and Frankfurt exchanges had been closed yesterday for Labor Day. In US news, nonfarm payrolls grew by 177,000 last month, topping the 138,000 expectation, and the unemployment rate held at 4.2% as expected. As of this writing, the Dow was up by 1.5%, the S&P 500 had gained 1.6%, and the Nasdaq had jumped 1.9% higher. Also supportive for crude oil, the US dollar index was down by 0.26%. Additionally, Baker Hughes reported the loss of 4 US oil rigs this week, cutting the count down to 479.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$58.99	\$59.87	\$57.74	\$58.29	-\$0.95	-1.6%
BRENT Crude	\$61.82	\$62.72	\$60.69	\$61.29	-\$0.84	-1.4%
ULSD (HO)	\$2.0051	\$2.0270	\$1.9760	\$1.9932	-\$0.0188	-0.9%
RBOB Gasoline	\$2.0390	\$2.0623	\$2.0042	\$2.0199	-\$0.0293	-1.4%
Natural Gas	\$3.446	\$3.667	\$3.418	\$3.630	+\$0.151	+4.3%

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	↑	3 \$2.2004
		2 \$2.1549
		1 \$2.1024
SETTLEMENT PRICE		\$1.9932
SUPPORT	↓	1 \$1.9674
		2 \$1.9373
		3 \$1.9000

VOLUME	135,854	AVERAGE
RSI	34.0	BEARISH
SLOW STOCHASTICS		BEARISH
MACD		BEARISH
CANDLE STICKS		BEARISH
MOVING AVERAGES		BEARISH
ADX	28.3	RISING
TECHNICAL DIRECTION		↓

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

Natural gas futures turned back higher today, gaining over four percent. This marked a fourth session higher in the last five. International prices also increased, with the Japan Korea Marker up by 30.5 cents at \$11.354/mmBtu and a 35.6-cent jump in Dutch TTF prices to \$10.992/mmBtu. Domestic developments were neutral to unsupportive, however. The GFS kept its two-week US degree day forecast at 93 (49 heating and 44 cooling), which is well below the 30-year average of 125 (75 heating and 50 cooling). Bloomberg analysts cut their total US demand forecast by 3.6 to 79.3bcf/d, while keeping their supply forecast at 95.9bcf/d. Also unsupportive, Baker Hughes reported that the US gas rig count was back in triple digits, with the addition of 2 rigs putting the count at 101. In the US cash market yesterday, benchmark Henry Hub prices fell by 4 cents to \$3.08/mmBtu, but New York citygate prices rose by 21 cents to \$2.72/mmBtu and prices at the Chicago citygate increased by 5 cents to \$2.88/mmBtu.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	5/2/2025	5/1/2025	Change (Δ)	
JUN 25	\$1.9932	\$2.0120	↓	\$0.0188 -0.9%
JUL 25	\$1.9783	\$1.9976	↓	\$0.0193 -1.0%
AUG 25	\$1.9822	\$2.0022	↓	\$0.0200 -1.0%
Strip: 12-Months Ratable	\$1.9996	\$2.0042	↓	\$0.0046 -0.2%
Strip: 9-Months Ratable	\$2.0001	\$2.0055	↓	\$0.0054 -0.3%
Strip: Winter (Oct-Mar)	\$2.0086	\$2.0117	↓	\$0.0031 -0.2%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	5/2/2025	5/1/2025	Change (Δ)		
JUN 25	\$2.0199	\$2.0492	↓	\$0.0293	-1.4%
JUL 25	\$1.9953	\$2.0216	↓	\$0.0263	-1.3%
AUG 25	\$1.9645	\$1.9885	↓	\$0.0240	-1.2%
PROPANE (\$/gallon)	5/1/2025	4/30/2025	Change (Δ)		
Mt. Belvieu	\$0.7313	\$0.8563	↓	-0.12504	-14.6%
Conway	\$0.6888	\$0.6931	↓	-\$0.004	-0.6%

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

ULSD lost 0.9% today, consistent with our directional view, but we saw a higher high and a higher low, making it an upside session. Bears seemed to have some trouble breaking down and out of our price channel. With indicators looking quite bearish overall, we continue to favor downside chances, seeing nearby support at \$1.9674 and then at the recent low of \$1.9373. Nearby resistance is expected at the 9-day ma (\$2.1024) followed by the \$2.1549 channel top. RBOB futures went on to hit a higher high today, but succumbed to pressure later on and we fell by 1.4%. This was consistent with our neutral/bearish view, which we maintain, seeing next support at the \$1.9480 bottom of the price channel, followed by \$1.8849, whereas the 18-day ma (\$2.0518, tested and held today) and the 100-day ma (\$2.0737) should offer nearby resistance. We also expected flat-to-lower price movement in WTI, and futures complied with a 1.6% dip in an upside session. We maintain our neutral/bearish view, seeing support at \$55.00 and \$50.00, with nearby resistance at \$60.00 and then at the 18-day ma (\$61.50). We maintained an upside bias in NYMEX NG, and were rewarded with a 4.3% jump today, with bulls taking out the \$3.463 resistance. We see next resistance at the \$3.670 channel top, followed by the 100-day ma at \$3.713 and then at \$3.869, whereas \$3.467 and then the 18-day ma (\$3.302) should offer nearby support. Slow stochastics are bullish, as are the RSI and candlesticks, but the MACD and major averages are neutral.

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CRUDE OIL: WTI

WTI (\$/barrel)	5/2/2025	5/1/2025	Change (Δ)	
JUN 25	\$58.29	\$59.24	↓	-\$0.95 -1.6%
JUL 25	\$57.83	\$58.68	↓	-\$0.85 -1.4%
AUG 25	\$57.48	\$58.24	↓	-\$0.76 -1.3%

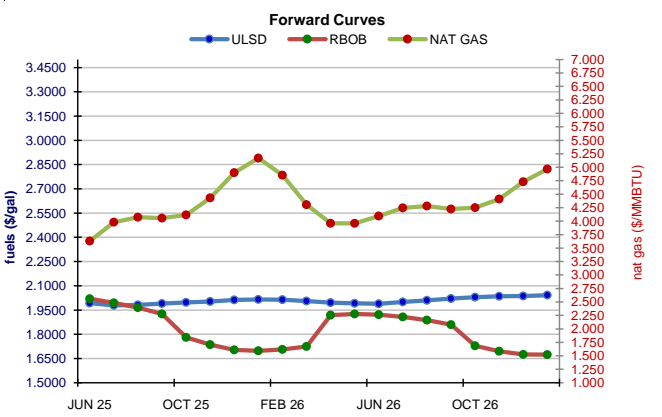


ECONOMIC INDICATORS

INDICATOR	2-May	1-May	Change (Δ)	
DJI	41,359	40,753	↑	606.11 +1.5%
Dollar Index (DXY)	99.97	100.25	↓	-0.28 -0.3%
EUR/USD	\$1.1303	\$1.1285	↑	\$0.0018 +0.2%
Gold	\$3,238.1	\$3,222.2	↑	\$15.9 +0.5%

NYMEX FORWARD CURVES

MONTH	ULSD	RBOB	WTI	NAT GAS
Jun25	\$1.9932	\$2.0199	\$58.29	\$0.182
Jul25	\$1.9783	\$1.9953	\$57.83	\$0.184
Aug25	\$1.9822	\$1.9645	\$57.48	\$0.179
Sep25	\$1.9914	\$1.9259	\$57.21	\$0.176
Oct25	\$2.0008	\$1.7821	\$57.05	\$0.168
Nov25	\$2.0078	\$1.7368	\$57.00	\$0.153
Dec25	\$2.0123	\$1.7066	\$57.04	\$0.137



NATURAL GAS: HH

NG (\$/MMBTU)	5/2/2025	5/1/2025	Change (Δ)	
JUN 25	\$3.6300	\$3.4790	↑	\$0.1510 +4.3%
JUL 25	\$3.9500	\$3.7970	↑	\$0.1530 +4.0%
AUG 25	\$4.0400	\$3.8920	↑	\$0.1480 +3.8%



EIA Inventories

Week to: 25-Apr-2025

COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mbbl)	440.408	443.104	↓	-2.696 -0.6%
Cushing (mbbl)	25.701	25.019	↑	0.682 2.7%
Distillates (mbbl)	107.815	106.878	↑	0.937 0.9%
Heating Oil	6.032	5.780	↑	0.252 4.4%
East Coast	0.794	0.909	↓	-0.115 -12.7%
ULSD	98.949	98.277	↑	0.672 0.7%
East Coast	23.187	22.169	↑	1.018 4.6%
New England	2.933	3.020	↓	-0.087 -2.9%
Mid Atlantic	11.120	10.535	↑	0.585 5.6%
Propane (mbbl)	47.206	46.630	↑	0.576 1.2%
East Coast	4.011	4.092	↓	-0.081 -2.0%
Refinery Utilization (%)	88.60	88.10	↑	0.500 0.6%
Natural Gas (bcf)	2,041	1,934	↑	107 5.5%

U.S. Distillate Stocks
(Thousand Barrels)