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

The complex extended its rally to a second consecutive session amid gains in global equities and a reported disagreement between US and Iran over a proposed nuclear deal. Bloomberg reported that Iranian Foreign Minister Abbas Araghchi has stated that a US nuclear deal proposal is ambiguous and unclear. President Trump stated on his social media that the US won't allow any uranium enrichment in Iran. This is the issue that has been a major sticking point between the two countries as Iran has repeatedly said that their ability to enrich uranium is non-negotiable. In US economic news, JOLTS showed 7.391m job openings in April, above the 7.100m consensus. On the other hand, factory orders fell by 3.7%, where a smaller dip of 3.0% was expected. US stock market indexes were seeing gains of between 0.5% (Dow and S&P 500) and 0.8% (Nasdaq) as of this writing. European shares also posted gains today with the FTSE 100 edging up 0.15%, the CAC 40 rising 0.34%, and the DAX adding 0.67%. In the unsupportive column, the US dollar index was up 0.5% this afternoon.

TECHNICAL LEVELS: ULSD (HO)			Price
RESISTANCE	↑	3	\$2.1427
		2	\$2.1093
		1	\$2.1054
SETTLEMENT PRICE			\$2.0999
SUPPORT	↓	1	\$2.0822
		2	\$2.0139
		3	\$2.0000

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$63.02	\$63.89	\$62.40	\$63.41	+\$0.89	+1.4%
BRENT Crude	\$65.16	\$65.95	\$64.51	\$65.63	+\$1.00	+1.5%
ULSD (HO)	\$2.0546	\$2.1076	\$2.0491	\$2.0999	+\$0.0554	+2.7%
RBOB Gasoline	\$2.0640	\$2.0886	\$2.0500	\$2.0788	+\$0.0263	+1.3%
Natural Gas	\$3.748	\$3.764	\$3.630	\$3.722	+\$0.028	+0.8%

VOLUME	177,212	AVERAGE
RSI	50.2	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		BEARISH
CANDLE STICKS		BULLISH
MOVING AVERAGES		BEARISH
ADX	13.6	FALLING
TECHNICAL DIRECTION		→

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

Natural gas futures continued higher today with a tighter daily US market balance expectation and gains in international gas prices, despite a lower two-week cooling degree day forecast. In supportive news, Bloomberg sees total US demand rising by 1.5bcf/d to 84.7bcf/d today, while total supply is seen falling by 1.2bcf/d to 96.5bcf/d. Dutch TTF prices rose 21.2 cents to \$11.930/mmBtu today and the Japan Korea Marker price added 12.4 cents to hit \$12.498/mmBtu. On the other hand, the GFS slashed its cooling degree day forecast for the Lower 48 states over the next two weeks by 15 to 138 CDDs, which is still above the 30-year average of 129. According to a Bloomberg survey, estimates for tomorrow's weekly EIA petroleum inventory report, for the week ended May 30, call for a 2.25mb withdrawal from US crude stocks. Distillate stockpiles are expected to fall by 0.88mb but gasoline stocks are expected to increase by just 0.05mb. API petroleum inventories for the same week are due this afternoon at 4:30.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	6/3/2025	6/2/2025	Change (Δ)	
JUL 25	\$2.0999	\$2.0445	↑	\$0.0554 +2.7%
AUG 25	\$2.0891	\$2.0384	↑	\$0.0507 +2.5%
SEP 25	\$2.0916	\$2.0459	↑	\$0.0457 +2.2%
Strip: 12-Months Ratable	\$2.0851	\$2.0051	↑	\$0.0800 +4.0%
Strip: 9-Months Ratable	\$2.0928	\$2.0105	↑	\$0.0823 +4.1%
Strip: Winter (Oct-Mar)	\$2.0875	\$2.0112	↑	\$0.0764 +3.8%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	6/3/2025	6/2/2025	Change (Δ)		
JUL 25	\$2.0788	\$2.0525	↑	\$0.0263 +1.3%	
AUG 25	\$2.0545	\$2.0278	↑	\$0.0267 +1.3%	
SEP 25	\$2.0179	\$1.9907	↑	\$0.0272 +1.4%	
PROPANE (\$/gallon)		6/2/2025	5/30/2025	Change (Δ)	
Mt. Belvieu	\$0.7392	\$0.7492	↓	-0.01	-1.3%
Conway	\$0.7117	\$0.7103	↑	\$0.001	+0.2%



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

ULSD (HO) futures jumped 2.7% higher in an upside session (higher high and a higher low) – inconsistent with our bearish bias. We'll now head over to the sidelines, looking to the 9-day ma (\$2.0822) and then the \$2.0139 top of the downward price channel for nearby support, while the 18-day ma (\$2.1054) and then \$2.1093 ought to offer resistance. Slow stochastics, the RSI, and candlesticks are bullish. Conversely, the MACD and moving averages are bearish. RBOB futures settled 1.3% higher in an inside session (lower high and a higher low), featuring the 200-day ma (\$2.0620) being taken out in the process. We now look there for next support followed by the \$2.0000 mark, whereas the top of the price channel (\$2.0869 – held to a test today) and then the 100-day ma (\$2.0993) are seen offering nearby resistance. Slow stochastics and the RSI are bullish, while candlesticks, moving averages, and the MACD are more neutral. Similar to HO, we'll now adopt a neutral stance given today's price action. WTI rose by 1.4% today in a slight upside session (barely higher high and a higher low). We adopt a neutral/bullish bias, seeing nearby support at the 50-day ma (\$62.93 – taken out today) and then at the 9-day ma (\$61.63). Next resistance can now be seen at \$63.89 (held to a test today), followed by the \$65.25 Fibonacci retracement. Technical indicators are similar to those seen in HO, save for the MACD which is neutral. Lastly, NYMEX natural gas futures gapped higher overnight, but fell slightly later on to still settle 0.8% higher in an upside session (higher high and a higher low). We maintain our flat-to-higher price view, now seeing nearby support at the 100-day ma (\$3.704 – taken out today) and then at \$3.467, whereas \$3.869 followed by the \$4.000 mark are our resistance levels. Candlesticks are bullish, as are slow stochastics and the RSI. The MACD and moving averages, on the other hand, are neutral.

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CRUDE OIL: WTI				
WTI (\$/barrel)	6/3/2025	6/2/2025	Change (Δ)	
JUL 25	\$63.41	\$62.52	↑	\$0.89 +1.4%
AUG 25	\$62.48	\$61.54	↑	\$0.94 +1.5%
SEP 25	\$61.74	\$60.72	↑	\$1.02 +1.7%

NATURAL GAS: HH				
NG (\$/MMBTU)	6/3/2025	6/2/2025	Change (Δ)	
JUL 25	\$3.7220	\$3.6940	↑	\$0.0280 +0.8%
AUG 25	\$3.7970	\$3.7680	↑	\$0.0290 +0.8%
SEP 25	\$3.7730	\$3.7510	↑	\$0.0220 +0.6%



ECONOMIC INDICATORS				
INDICATOR	3-Jun	2-Jun	Change (Δ)	
DJI	42,542	42,305	↑	236.21 +0.6%
Dollar Index (DXY)	99.24	98.71	↑	0.54 +0.5%
EUR/USD	\$1.1374	\$1.1437	↓	-\$0.0063 -0.6%
Gold	\$3,350.6	\$3,370.6	↓	-\$20.0 -0.6%

EIA Inventories				
COMMODITY	Week to: 23-May-2025			
	Current	Previous	Change (Δ)	
Crude Oil (mdbl)	440,363	443,158	↓	-2,795 -0.6%
Cushing (mdbl)	23,510	23,435	↑	0.075 0.3%
Distillates (mdbl)	103,408	104,132	↓	-724 -0.7%
Heating Oil				
East Coast	6,093	6,099	↓	-0.006 -0.1%
East Coast	0.748	0.672	↑	0.076 11.3%
ULSD				
East Coast	94,361	94,939	↓	-578 -0.6%
East Coast	22,116	21,362	↑	0.754 3.5%
New England	3,018	3,059	↓	-0.041 -1.3%
Mid Atlantic	10,742	10,527	↑	0.215 2.0%
Propane (mdbl)	55,099	53,099	↑	2,000 3.8%
East Coast	4,100	3,774	↑	0.326 8.6%
Refinery Utilization (%)	90.20	90.70	↓	-0.500 -0.6%
Natural Gas (bcf)	2,476	2,375	↑	101 4.3%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
Jul25	\$2.0999	\$2.0788	\$63.41	\$0.043
Aug25	\$2.0891	\$2.0545	\$62.48	\$0.044
Sep25	\$2.0916	\$2.0179	\$61.74	\$0.039
Oct25	\$2.0951	\$1.8638	\$61.17	\$0.037
Nov25	\$2.0947	\$1.8146	\$60.82	\$0.035
Dec25	\$2.0922	\$1.7835	\$60.64	\$0.040
Jan26	\$2.0954	\$1.7740	\$60.60	\$0.043

