

Information is accurate to the best of our knowledge. This is not a solicitation to buy or sell commodities.

NEWS & ANALYSIS

Petroleum futures were trading in the red in the overnight session on Wednesday amid losses in US stock market index futures, continued strength in the US dollar index, and bearish weekly US distillate and gasoline stock data from the American Petroleum Institute (API). WTI futures were on course to fall for a sixth session in the last seven. Market participants looked ahead to weekly petroleum stock data from the Energy Information Administration (EIA) for further direction.

Crude stock data were fairly neutral as the API reported a 0.51mb build in US stockpiles for the week ended May 3, while forecasts called for a 0.38mb draw (average of polls by Reuters and S&P Global). Data for distillates were bearish as the agency reported a surprise and large build of 1.71mb where a 1.10mb draw was expected. Inventory figures were also bearish for gasoline as the API reported a build of 1.46mb, against forecasts calling for a 1.03mb decline in stocks. An OPIS poll calls for a 1.86mb build in propane and propylene inventories in today's EIA report.

Asian shares closed in the red overnight with the Shanghai Composite down 0.61%, the Hang Seng losing 0.90%, and the Nikkei dropping 1.63% lower. In European news, industrial production in Germany fell 0.4% in March, while the Econoday consensus called for a larger dip of 1.0%. On the other hand, retail sales in Italy held steady in March, whereas a 0.2% rise was expected. As of this writing, the DAX and the FTSE 100 were up 0.3% and the CAC 40 was leading the way higher with a 0.8% gain. On the other hand, US stock market index futures were seeing losses of between 0.1% (Dow futures) and 0.5% (Nasdaq futures). In more unsupportive news, the US dollar index was up 0.2% as of this writing.

The complex settled flat to lower yesterday with strength in the US dollar, despite gains in European shares and continued tensions in the Middle East. Brent crude fell 17 cents to close at \$83.16/bbl and WTI edged down 10 cents to \$78.38/bbl. RBOB futures dropped 4.48 cents lower to settle at \$2.5434/g while ULSD (HO) edged up 42 points to close at \$2.4656/g. The New York Harbor ULSD barge price differential strengthened by 50 points to -1.50c/g, while the ULSHO differential held steady at -6.75c/g. The 2024 Biodiesel D4 RIN price rose 1.50 cents to average 45.75c/RIN and a wider ULSD-ULSHO differential was consistent with this move. Propane prices fell yesterday as Mt. Belvieu TET prices fell by 1.25 cents to 67.06c/g (36.0% of crude) and Conway prices weakened by 1.63 cents to average 64.63c/g (34.7% of crude).

Natural gas futures rose 1.2 cents to settle at \$2.207/mmBtu despite a looser US market balance forecast for next week and weaker European gas prices.

Heating Oil 5/7/2024

May 08, 2024

Heat Curve	Month	Price	Change	Overnight
3.50 %	May 2024	2.4656	0.0042	(0.0200)
1.50 %	Jun 2024	2.4790	0.0051	
0.50 %	Jul 2024	2.4924	0.0053	
2.50 %	Aug 2024	2.5056	0.0055	
3.80 %	Sep 2024	2.5144	0.0051	
5.00 %	Oct 2024	2.5149	0.0046	
8.50 %	Nov 2024	2.5108	0.0044	
13.50 %	Dec 2024	2.5113	0.0047	
20.50 %	Jan 2025	2.5034	0.0038	
18.00 %	Feb 2025	2.4874	0.0024	
15.70 %	Mar 2025	2.4667	0.0007	
7.00 %	Apr 2025	2.4547	(0.0004)	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	May 2024 - Apr 2025	2.4923
9 Month Strip	Sep 2024 - May 2025	2.4915
Winter Strip	Nov 2024 - Mar 2025	2.4943

RBOB Gasoline 5/7/2024

Month	Price	Change	Overnight
May 2024	2.5434	(0.0448)	(0.0357)
Jun 2024	2.5183	(0.0381)	
Jul 2024	2.4830	(0.0305)	
Aug 2024	2.4337	(0.0253)	
Sep 2024	2.2364	(0.0185)	
Oct 2024	2.1702	(0.0185)	
Nov 2024	2.1301	(0.0166)	
Dec 2024	2.1107	(0.0146)	
Jan 2025	2.1107	(0.0130)	
Feb 2025	2.1272	(0.0116)	
Mar 2025	2.3283	(0.0128)	

DOE Stocks 4/26/2024 vs 5-year avg. (000 bbls)

Crude	460,890	-10,970
Distillate	115,850	-9,844
Gasoline	227,087	-6,877

Other	Price	Change	Overnight
Crude Oil (Jun 2024)	78.3800	(0.1000)	(0.9600)
Natural Gas (Jun 2024)	2.2070	0.0120	0.0470
Propane - Mont Belvieu	0.6706		

	Price	vs. NYMEX HO
NYH ULSD	2.4506	(0.0150)
NYH ULSHO	2.3981	(0.0675)
NY Harbor #2	2.0506	(0.4150)