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NEWS & ANALYSIS

Crack spreads were narrowing as of this writing in the overnight session on Wednesday, as product futures looked set to extend their losses while crude oil futures were seeing modest gains. Losses in global equities were an unsupportive factor this morning, whereas weakness in the US dollar index was supportive. Market participants looked ahead to Canadian merchandise trade figures, the Bank of Canada monetary policy announcement, US international trade in goods and services and factory orders data, and to the Job Openings and Labor Turnover Survey (JOLTS) for further direction. The weekly petroleum stock report from the Energy Information Administration (EIA) will be released tomorrow, a day late due to the holiday on Monday.

In the news this morning, Reuters reported that OPEC+ is discussing delaying an output increase which was planned for October, due to market volatility from production shutdowns in Libya and a weak demand outlook, according to three sources.

Asian shares lost ground overnight as the Shanghai Composite fell 0.67%, the Hang Seng dropped 1.10% lower, and the Nikkei led the way down with a 4.24% tumble. The Chinese S&P Global Composite PMI for August held steady at 51.2, while the services index fell from 52.1 to 51.6. In European news, the final August S&P Global Composite PMI for the Eurozone and Germany both saw surprise downward revisions, to 51.0 and 48.4 respectively. On the other hand, the index for France was a beat by coming in at 53.1, above the 52.7 flash estimate. The CIPS/S&P Global UK Composite PMI saw an upward revision from the 53.4 flash estimate, to 53.8. In unsupportive news, the Producer Price Index for the Eurozone showed prices rose 0.8% in July, well above the 0.3% expectation. European stock indexes were trading lower as of this writing with the FTSE 100 down 0.5%, the DAX having lost 0.9%, and the CAC 40 having dropped 1.1% lower. US stock market index futures were seeing losses of between 0.2% (Dow futures) and 0.7% (Nasdaq futures). In the supportive column, the US dollar index was down 0.2% as of this writing.

Petroleum futures sold off yesterday amid losses in equities, strength in the US dollar index, and reports that a dispute in Libya could be resolved soon and oil production and exports could restart. Brent crude lost \$3.77 to close at \$73.75/bbl and WTI dropped \$3.21 lower to \$70.34/bbl. RBOB futures tumbled 11.55 cents lower to settle at \$1.9777/g and ULSD (HO) lost 7.23 cents to close at \$2.2060/g. New York Harbor ULSD and ULSHO barge price differentials weakened to -5.50c/g and -13.00c/g, respectively. The 2024 biomass-based diesel (D4) RIN price fell by one cent to average 58.00c/RIN. Propane prices lost ground yesterday along with crude oil futures as Mt. Belvieu TET prices dropped 3.94 cents lower to hit 72.13c/g (43.2% of crude) and Conway prices lost 2.50 cents to average 69.25c/g (41.5% of crude).

Natural gas futures rose 7.6 cents to settle at \$2.203/mmBtu despite a looser US market balance expectation for next week and a downgrade to the two-week CDD forecast. The NHC continues to track two disturbances in the open Atlantic and one in the Caribbean Sea, but gives them all low chances of cyclone formation in the next two days.

Heating Oil 9/3/2024

September 04, 2024

Heat Curve	Month	Price	Change	Overnight
3.80 %	Sep 2024	2.2060	(0.0723)	(0.0203)
5.00 %	Oct 2024	2.2220	(0.0717)	
8.50 %	Nov 2024	2.2305	(0.0709)	
13.50 %	Dec 2024	2.2381	(0.0703)	
20.50 %	Jan 2025	2.2365	(0.0698)	
18.00 %	Feb 2025	2.2260	(0.0689)	
15.70 %	Mar 2025	2.2134	(0.0672)	
7.00 %	Apr 2025	2.2060	(0.0661)	
3.50 %	May 2025	2.2021	(0.0651)	
1.50 %	Jun 2025	2.2084	(0.0640)	
0.50 %	Jul 2025	2.2154	(0.0630)	
2.50 %	Aug 2025	2.2226	(0.0623)	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Sep 2024 - Aug 2025	2.2246
9 Month Strip	Sep 2024 - May 2025	2.2257
Winter Strip	Nov 2024 - Mar 2025	2.2289

RBOB Gasoline 9/3/2024

Month	Price	Change	Overnight
Sep 2024	1.9777	(0.1155)	(0.0177)
Oct 2024	1.9553	(0.0993)	
Nov 2024	1.9303	(0.0913)	
Dec 2024	1.9195	(0.0883)	
Jan 2025	1.9251	(0.0858)	
Feb 2025	1.9457	(0.0827)	
Mar 2025	2.1317	(0.0796)	
Apr 2025	2.1336	(0.0767)	
May 2025	2.1249	(0.0730)	
Jun 2025	2.1086	(0.0699)	
Jul 2025	2.0880	(0.0676)	

DOE Stocks **8/23/2024** **vs 5-year avg.** (000 bbls)

Crude	425,183	-12,430
Distillate	123,086	-12,394
Gasoline	218,394	-6,315

Other	Price	Change	Overnight
Crude Oil (Oct 2024)	70.3400	(3.2100)	0.0900
Natural Gas (Oct 2024)	2.2030	0.0760	(0.0760)
Propane - Mont Belvieu	0.7213		

	Price	vs. NYMEX HO
NYH ULSD	2.1510	(0.0550)
NYH ULSHO	2.0760	(0.1300)
NY Harbor #2	1.9432	(0.2628)