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NEWS & ANALYSIS

Crude oil and refined products futures prices were trading flat to lower as of this writing in the overnight session on Tuesday, with flat to lower trade in US equities and strength in the US dollar, despite flat to higher trade in European equities and an Israeli ground incursion into southern Lebanon. Market participants looked ahead to the ISM Manufacturing Index for September, construction spending figures for August, and the Job Openings and Labor Turnover Survey for the same month, for further direction.

Reuters reports that Israeli paratroop and commando units have launched raids in Lebanon in a "limited" ground incursion. In US news, the International Longshoremen's Association (ILA) union has gone on strike for the first time since 1977, affecting ports from Texas up to Maine that account for about half of US imports. In other domestic news, the DOE has purchased 6mb of oil for the Strategic Petroleum Reserve (SPR) for delivery through May of next year. The DOE has funding for about 2 million more barrels at \$75/bbl, but will need to ask Congress for additional funding or cancel congressionally mandated sales in order to keep refilling the SPR.

In economic news this morning, the Japanese unemployment rate saw a surprise 0.2 percentage point drop to 2.5% in August. The Tankan Survey for the third quarter was a mixed bag, with stronger than expected large non-manufacturer sentiment but weaker than expected manufacturer sentiment. Large firm capital expenditure plans were weaker than expected, but small firm capex plans matched expectations. The Nikkei rallied 1.93% higher last night, while the Hong Kong and Shanghai stock exchanges were closed for a holiday. The Nikkei/S&P Global Manufacturing PMI for India saw a larger than predicted downward revision from the flat 57.5 print, to 56.5 last month. In European news, the flash HICP showed consumer prices increased by 1.8% last month, below the 2.0% forecast. Narrow Core prices rose by 2.7%, also below the 2.8% forecast. The final September S&P Global French (44.6), German (40.6), and Eurozone (45.0) Manufacturing PMI all saw surprise upward revisions from the flash estimate, as did the CIPS/S&P Global UK PMI, to 51.5. As of this writing, the CAC 40 was steady, the DAX had risen by 0.4%, and the FTSE 100 had gained 0.5%. Nasdaq futures were up by 0.1% but S&P 500 futures were flat and futures for the Dow were off by 0.2%.

The complex settled mixed and little changed yesterday, with a stronger dollar and losses in equities, as well as an agreement over Libyan central bank leadership likely weighing on trade, whereas Middle East tensions surrounding Israeli military activity were supportive. Brent crude slipped 21 cents lower to close at \$71.77/bbl and WTI closed one cent weaker at \$68.17/bbl. RBOB futures edged up 91 points to settle at \$1.9621/g, while ULSD (HO) settled down 9 points at \$2.1318/g. New York Harbor ULSD and ULSHO barge price differentials to NYMEX strengthened with the front switch, with the former rising to -0.79c/g and the latter rising to -9.74c/g. Biomass-based diesel (D4) RIN Prices slipped 13 points lower to 67.75c/RIN. Spot propane prices made mixed moves yesterday. Mt. Belvieu TET propane prices dropped 2.50 cents lower to average 50.13c/g (30.9% of crude), whereas non-TET prices shot up 5.25 cents to 67.75c/g (41.8% of crude) and Conway prices added 75 points to average 64.50c/g (39.8% of crude). According to OPIS, weakness in TET is linked to a maintenance period at the Gulf Coast NGL export docks owned by Energy Transfer.

NYMEX natural gas futures added 2.1 cents to settle at \$2.923/mmBtu, rising along with international prices despite unsupportive shifts in the US outlook. As of this morning, the NHC is tracking Tropical Storm Kirk (no perceived threat to land) and a disturbance to its east that is given a strong chance (80%) of developing into a tropical cyclone over the next two days.

Heating Oil 9/30/2024

October 01, 2024

Heat Curve	Month	Price	Change	Overnight
3.80 %	Sep 2024	2.1318	(0.0009)	0.0023
5.00 %	Oct 2024	2.1544	0.0031	
8.50 %	Nov 2024	2.1631	0.0040	
13.50 %	Dec 2024	2.1716	0.0040	
20.50 %	Jan 2025	2.1745	0.0050	
18.00 %	Feb 2025	2.1689	0.0054	
15.70 %	Mar 2025	2.1607	0.0058	
7.00 %	Apr 2025	2.1598	0.0065	
3.50 %	May 2025	2.1640	0.0067	
1.50 %	Jun 2025	2.1743	0.0067	
0.50 %	Jul 2025	2.1845	0.0069	
2.50 %	Aug 2025	2.1946	0.0071	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Sep 2024 - Aug 2025	2.1665
9 Month Strip	Sep 2024 - May 2025	2.1669
Winter Strip	Nov 2024 - Mar 2025	2.1685

RBOB Gasoline 9/30/2024

Month	Price	Change	Overnight
Sep 2024	1.9621	0.0091	(0.0480)
Oct 2024	1.9351	0.0081	
Nov 2024	1.9062	0.0067	
Dec 2024	1.8973	0.0057	
Jan 2025	1.9049	0.0055	
Feb 2025	1.9261	0.0060	
Mar 2025	2.1072	0.0079	
Apr 2025	2.1129	0.0086	
May 2025	2.1069	0.0090	
Jun 2025	2.0921	0.0084	
Jul 2025	2.0718	0.0075	

DOE Stocks 9/20/2024 vs 5-year avg. (000 bbls)

Crude	413,042	-23,049
Distillate	122,921	-10,714
Gasoline	220,083	-2,449

Other	Price	Change	Overnight
Crude Oil (Nov 2024)	68.1700	(0.0100)	(0.5000)
Natural Gas (Nov 2024)	2.9230	0.0210	(0.0280)
Propane - Mont Belvieu	0.5013		

	Price	vs. NYMEX HO
NYH ULSD	2.1239	(0.0079)
NYH ULSHO	2.0344	(0.0974)
NY Harbor #2	1.9934	(0.1384)