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NEWS & ANALYSIS

Crude oil and refined products futures were trading higher as of this writing in the overnight session on Tuesday amid an increased likelihood that OPEC+ will extend output cuts, strength in European equities, and a slight depreciation in the US dollar, despite flat to lower trade in US stock market index futures. With a quiet day ahead on the economic calendar, market participants looked ahead to the US Job Opening and Labor Turnover survey (JOLTS) for further direction.

In the news this morning, Reuters reports that OPEC+ is likely to extend its latest round of oil output cuts through the end of the first quarter in 2025, according to an OPEC+ source. OPEC+ countries have cut down their production by 5.86mb/d since the agreement was reached back in 2022. In the wake of falling prices, there are slim chances that the 180kb/d output hikes formally expected to come this January will be initiated by OPEC+, per Reuters.

Asian shares strengthened overnight with the Hang Seng up 1.00%, the Shanghai Composite gaining 0.44%, and the Nikkei in Japan rising 1.91% higher. European equities were also trading higher as of this writing with the UK FTSE 100 up 0.70%, the German DAX having added 0.14%, and the French CAC 40 having gained 0.23%. On the other hand, US stock market index futures were trading flat to lower this morning, seeing losses between 0.03% (S&P 500 futures) and 0.1% (Nasdaq futures). As of this writing, the US dollar index was down 0.18%, which is supportive for dollar-denominated assets such as crude oil.

The complex saw see-saw trade near the unchanged mark yesterday, with geopolitical tensions and strength in US equities following encouraging domestic data releases likely supporting, while a rally in the US dollar was unresponsive. Brent crude edged down 1 cent to close at \$71.83/bbl and WTI gained 10 cents to settle at \$68.10/bbl. RBOB futures gapped lower with the front switch and ended 2.65 cents weaker at \$1.9172/g while ULSD (HO) lost 1.53 cents to reach a \$2.1777/g settlement. The New York Harbor ULSD barge price differential to spot NYMEX came in at -1.00c/g, while the ULSHO differential was -7.38c/g. The 2024 biomass-based diesel (D4) RIN price weakened by 1 cent to average 58.50c/RIN. Spot propane prices fell yesterday as Mt. Belvieu TET prices lost 2.25 cents to average 79.63c/g (49.2% of crude) and Conway prices weakened by 1.13 cents to 75.00c/g (46.3% of crude).

NYMEX natural gas futures fell yesterday amid downward revisions to the two-week US HDD forecast by the GFS. As of this morning, the 1-5 day forecast sees below-normal temperatures across the eastern half of the country with well-below-normal temperatures expected in the northeastern regions. The 6-10 day forecast is less supportive with mostly above-normal temperatures seen in the Midwest and mixed temperatures in the Northeast.

Heating Oil 12/2/2024
December 03, 2024

Heat Curve	Month	Price	Change	Overnight
13.50 %	Dec 2024	2.1777	(0.0147)	0.0244
20.50 %	Jan 2025	2.1781	(0.0121)	
18.00 %	Feb 2025	2.1692	(0.0094)	
15.70 %	Mar 2025	2.1559	(0.0071)	
7.00 %	Apr 2025	2.1466	(0.0060)	
3.50 %	May 2025	2.1414	(0.0041)	
1.50 %	Jun 2025	2.1468	(0.0028)	
0.50 %	Jul 2025	2.1538	(0.0022)	
2.50 %	Aug 2025	2.1630	(0.0020)	
3.80 %	Sep 2025	2.1724	(0.0018)	
5.00 %	Oct 2025	2.1789	(0.0012)	
8.50 %	Nov 2025	2.1834	(0.0002)	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Dec 2024 - Nov 2025	2.1688
9 Month Strip	Sep 2024 - May 2025	2.1671
Winter Strip	Nov 2024 - Mar 2025	2.1705

RBOB Gasoline 12/2/2024

Month	Price	Change	Overnight
Dec 2024	1.9172	0.0184	0.0172
Jan 2025	1.9233	0.0165	
Feb 2025	1.9405	0.0133	
Mar 2025	2.1308	0.0121	
Apr 2025	2.1339	0.0115	
May 2025	2.1238	0.0108	
Jun 2025	2.1050	0.0099	
Jul 2025	2.0788	0.0087	
Aug 2025	2.0447	0.0077	
Sep 2025	1.9029	0.0078	
Oct 2025	1.8701	0.0076	

DOE Stocks 11/15/2024 vs 5-year avg. (000 bbls)

Crude	430,292	-20,590
Distillate	114,301	-4,782
Gasoline	208,927	-10,060

Other	Price	Change	Overnight
Crude Oil (Jan 2025)	68.1000	0.1000	0.8200
Natural Gas (Jan 2025)	3.2130	(0.1500)	(0.0650)
Propane - Mont Belvieu	0.7963		

	Price	vs. NYMEX HO
NYH ULSD	2.1677	(0.0100)
NYH ULSHO	2.1040	(0.0738)
NY Harbor #2	1.9810	(0.1967)