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NEWS & ANALYSIS

The complex was trading higher as of this writing in the overnight session on Monday, with RBOB and WTI futures rallying to respective gains of over five and two percent. Gains came amid news of fresh tariffs being imposed on Canadian, Mexican, and Chinese imports by the Trump administration, despite significant losses in both European equities and US stock market index futures, as well as some modest strength in the value of the US dollar. Market participants looked ahead to the US ISM Manufacturing Index, construction spending data, and to the US S&P Global Manufacturing PMI for further direction.

In the news this morning, Reuters reports that the Trump administration has imposed sweeping tariffs on goods coming from Mexico, Canada, and China. These tariffs, which are set to take effect tomorrow, include a 25% levy on most goods from Mexico and Canada, with a 10% tariff on Chinese imports and Canadian energy products, per Reuters. Both Canada and Mexico serve as the top sources of US crude imports, accounting for nearly a quarter of all oil domestic refineries process into fuels. Also in the news today, the OPEC Joint Ministerial Monitoring Committee (JMMC) is meeting today and four sources have said that it is unlikely that the committee will recommend any output increases other than those already planned. OPEC+ agreed previously to gradually raise output starting April.

In economic news from Asia last night, the final January Caixin Manufacturing PMI in China saw a surprise drop from 50.5 to 50.1, rather than rising to 50.6 as predicted. The Nikkei/S&P Global Manufacturing PMI for India saw a downward revision from the 58.0 flash estimate, to 57.7. While the Shanghai Stock Exchange remained closed for the Lunar New Year, the Nikkei in Japan closed 2.66% weaker overnight and the Hang Seng in Hong Kong edged down just 0.04%. In European news this morning, the final German (45.0) and UK (48.3) S&P Global Manufacturing PMI for January beat the 44.1 and 48.2 flash estimates, respectively. On the other hand, the final French Manufacturing PMI for the same month came in at 45.0, slightly below the 45.3 flash estimate. The index for the Eurozone as a whole also saw an upward revision from the 46.1 flash estimate to 46.6. The flash Harmonized Index of Consumer Prices (HICP) for the Eurozone showed consumer prices increased by 2.5% year-on-year last month, while narrow core prices rose by 2.7% year-on-year, both matching forecasts. As of this writing, the FTSE 100 in the UK was down 1.20%, the French CAC 40 had lost 1.64%, and German DAX had dropped 1.68% lower. US stock market index futures were also trading lower this morning with losses of between 1.37% (Dow futures) and 1.78% (Nasdaq futures). Also unresponsive, the US dollar index was up 0.95%.

Petroleum futures closed mixed near the unchanged mark on Friday as flat-to-higher trade in both European and US shares were supportive, while a slight uptick in the value of the US dollar likely weighed on the price action. Brent crude edged down 11 cents to \$76.76/bbl and WTI settled 20 cents weaker at \$72.53/bbl. RBOB futures close little changed with a 9-point lost for a \$2.0365/g settlement and ULSD (HO) futures added 91 points to hit \$2.4845/g. The New York Harbor ULSB barge price differential to spot NYMEX weakened by 3.22 cents to -1.72c/g, while the ULSHO differential weakened by 4.47 cents to -10.97c/g. 2025 biomass-based diesel (D4) RIN prices added 5.45 cents to average 77.95c/RIN and a wider ULSD-ULSHO spread was consistent with this move. Spot propane prices strengthened on Friday as Mt. Belvieu TET prices added 1.00 cents to 89.50c/g (52.0% of crude) and Conway prices rose by 1.75 cents to 90.50c/g (52.5% of crude).

NYMEX natural gas futures saw see-saw trade near the unchanged mark on Friday, ending the session 30 points lower at \$3.044/mmBtu amid unresponsive shifts to the US HDD and market balance forecasts, despite higher European gas prices and a lower US rig count. As of this morning, the latest 1-5 day outlook calls for mostly above-normal temperatures throughout the US, save for isolated parts of the Upper Midwest and New England. The 6-10 day forecast is far more supportive as below to well-below-normal temperatures are expected in both the Midwest and the northern half of the East Coast.

Heating Oil 1/31/2025

February 03, 2025

Heat Curve	Month	Price	Change	Overnight
20.50 %	Jan 2025	2.4845	0.0091	0.0115
18.00 %	Feb 2025	2.3973	(0.0033)	
15.70 %	Mar 2025	2.3506	(0.0031)	
7.00 %	Apr 2025	2.3179	(0.0035)	
3.50 %	May 2025	2.2946	(0.0049)	
1.50 %	Jun 2025	2.2863	(0.0049)	
0.50 %	Jul 2025	2.2818	(0.0045)	
2.50 %	Aug 2025	2.2821	(0.0043)	
3.80 %	Sep 2025	2.2820	(0.0041)	
5.00 %	Oct 2025	2.2779	(0.0039)	
8.50 %	Nov 2025	2.2714	(0.0039)	
13.50 %	Dec 2025	2.2706	(0.0040)	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Jan 2025 - Dec 2025	2.3554
9 Month Strip	Sep 2025 - May 2026	2.2542
Winter Strip	Nov 2025 - Mar 2026	2.2565

RBOB Gasoline 1/31/2025

Month	Price	Change	Overnight
Jan 2025	2.0365	(0.0009)	0.1073
Feb 2025	2.0588	(0.0077)	
Mar 2025	2.2852	(0.0037)	
Apr 2025	2.2868	(0.0030)	
May 2025	2.2734	(0.0027)	
Jun 2025	2.2484	(0.0025)	
Jul 2025	2.2139	(0.0027)	
Aug 2025	2.1661	(0.0035)	
Sep 2025	2.0056	(0.0033)	
Oct 2025	1.9574	(0.0045)	
Nov 2025	1.9222	(0.0057)	

DOE Stocks 1/24/2025 vs 5-year avg. (000 bbls)

Crude	415,126	-25,756
Distillate	123,951	-10,497
Gasoline	248,855	-2,435

Other	Price	Change	Overnight
Crude Oil (Mar 2025)	72.5300	(0.2000)	1.9000
Natural Gas (Mar 2025)	3.0440	(0.0030)	0.2650
Propane - Mont Belvieu	0.8950		

	Price	vs. NYMEX HO
NYH ULSD	2.4673	(0.0172)
NYH ULSHO	2.3748	(0.1097)
NY Harbor #2	2.2594	(0.2251)