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NEWS & ANALYSIS

Crude oil and refined products futures looked set to extend their rally to a fourth session, with gains of one percent and higher as of this writing in the overnight on Thursday. The gains came amid mostly higher trade in European shares and in futures for the major US stock market indexes, despite further strength in the US dollar and bearish weekly API US petroleum inventory data. Market participants looked ahead to US jobless claims, manufacturing, and construction spending data for further direction.

The American Petroleum Institute reported a smaller than predicted draw from US crude oil inventories of 1.40mb, as the average of polls conducted by Reuters and the Wall Street Journal put expectations at 2.60mb. Against expectations for little change in distillate and gasoline stock levels, API reported large builds of 5.70mb and 2.20mb, respectively. The more closely watched EIA figures are due this morning at 11:00am.

The Tokyo Stock Exchange was closed last night, but the Shanghai and Hong Kong exchanges were open and saw a sell-off. The Hang Seng took a 2.18% tumble, and the Shanghai Composite sold off by 2.66% following disappointing Chinese manufacturing data. The Caixin Manufacturing PMI for December saw a surprise drop from 51.5 to 50.5, rather than rising to 51.6 as predicted. The Nikkei/S&P Global India Manufacturing PMI saw a downward revision from the 57.4 flash estimate, to 56.4.

In European news this morning, the final French (41.9) and German (42.5) S&P Global Manufacturing PMI for December confirmed the flash estimate, but the index for the Eurozone as a whole saw a slight surprise downward revision to 45.1. All indicate contraction in the sector. The CIPS/S&P Global UK PMI also saw a surprise downward revision, to 47.0. The French CAC 40 had lost 0.6% as of this writing, but the German DAX was up by 0.1% and the UK FTSE 100 had added 0.4%. Futures for the major US stock market indexes were rising, with gains of between 0.7% (Dow) and 1.1% (Nasdaq). Whereas this was supportive for crude, a 0.3% rise in the US dollar index to fresh multi-year highs was unsupportive.

The complex extended gains to a third session on Tuesday, amid gains in European equities, despite losses in US shares and a stronger dollar. Brent crude rose by 65 cents to close at \$74.64/bbl and WTI settled 73 cents higher at \$71.72/bbl. RBOB futures settled at \$2.0015/g, up by 2.52 cents, and ULSD (HO) settled 2.11 cents stronger at \$2.3206/g. New York Harbor ULSD and ULHSO barge price differentials to spot NYMEX weakened slightly, by 29 points and 17 points to -0.92c/g and -7.17c/g, respectively. Biomass-based diesel (D4) RIN prices increased, with 2024 vintage prices rising by 1.50 cents to 59.75c/RIN. Spot propane prices rose along with crude. Mt. Belvieu TET prices jumped 2.13 cents higher to average 81.00c/g (47.5% of crude) and Conway prices strengthened by two cents to 77.00c/g (45.2% of crude). Analysts surveyed by OPIS see a 3.23mb propane/propylene draw in today's EIA report.

Natural gas futures turned back south on Tuesday, selling off by 7.7% with a lower two-week US HDD forecast from the GFS and a looser US market balance forecast for next week from LSEG. As of this morning, the GFS sees below-normal temperatures across most of the eastern two-thirds of the country, with especially cold temperatures in Montana and the Dakotas, and with more mixed temperatures in New Hampshire and Maine. The 6-10 day forecast calls for mixed temperatures in the Midwest and Maine, but below-normal to well-below-normal temperatures elsewhere on the East Coast.

Heating Oil 12/31/2024
January 02, 2025

Heat Curve	Month	Price	Change	Overnight
13.50 %	Dec 2024	2.3206	0.0211	0.0194
20.50 %	Jan 2025	2.3164	0.0152	
18.00 %	Feb 2025	2.2944	0.0144	
15.70 %	Mar 2025	2.2611	0.0135	
7.00 %	Apr 2025	2.2408	0.0135	
3.50 %	May 2025	2.2298	0.0134	
1.50 %	Jun 2025	2.2299	0.0129	
0.50 %	Jul 2025	2.2314	0.0124	
2.50 %	Aug 2025	2.2345	0.0120	
3.80 %	Sep 2025	2.2366	0.0117	
5.00 %	Oct 2025	2.2358	0.0110	
8.50 %	Nov 2025	2.2334	0.0100	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Dec 2024 - Nov 2025	2.2781
9 Month Strip	Sep 2024 - May 2025	2.2903
Winter Strip	Nov 2024 - Mar 2025	2.2986

RBOB Gasoline 12/31/2024

Month	Price	Change	Overnight
Dec 2024	2.0015	0.0252	0.0354
Jan 2025	2.0092	0.0190	
Feb 2025	2.0291	0.0206	
Mar 2025	2.2275	0.0218	
Apr 2025	2.2288	0.0222	
May 2025	2.2122	0.0223	
Jun 2025	2.1853	0.0215	
Jul 2025	2.1501	0.0201	
Aug 2025	2.1053	0.0189	
Sep 2025	1.9497	0.0162	
Oct 2025	1.9100	0.0159	

DOE Stocks 12/20/2024 vs 5-year avg. (000 bbls)

Crude	416,779	-22,997
Distillate	116,461	-12,370
Gasoline	223,667	-6,484

Other	Price	Change	Overnight
Crude Oil (Feb 2025)	71.7200	0.7300	3.9200
Natural Gas (Feb 2025)	3.6330	(0.3030)	0.0570
Propane - Mont Belvieu	0.8100		

	Price	vs. NYMEX HO
NYH ULSD	2.3114	(0.0092)
NYH ULSHO	2.2489	(0.0717)
NY Harbor #2	2.3649	0.0443