



DAILY ENERGY COMPLEX COMMENTARY

Tuesday March 19, 2024

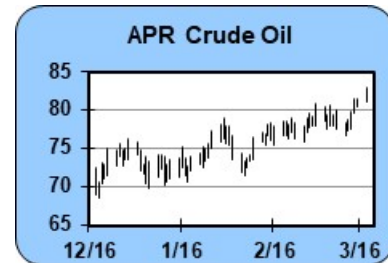
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3/19/2024

Dollar strength offers headwind to overbought oil complex

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CRUDE -4, HEATING OIL -175, UNLEADED GAS -187

CRUDE OIL MARKET FUNDAMENTALS: Crude oil prices are flat to marginally lower heading into the US trading hours, with global equity markets lower and the US dollar stronger. The outside market tone saw the Bank of Japan raise interest rates overnight as expected, and a German sentiment reading earlier this morning came in ahead of expectations, and that's fueled upside in the US dollar into a new 12-day high. An added headwind facing the oil market this morning is talk of a meeting between Israeli, Qatar and Egyptian officials to broker a Gaza truce in exchange for a hostage release. In the meantime, crude oil draws underlying support from upbeat economic readings from China and the US in previous sessions, which stokes intermediate oil demand prospects. Additionally, recent Ukrainian drone strikes on Russian oil infrastructure is said to have taken an estimated 600,000 barrels of Russian refining capacity offline. JPMorgan Chase estimates 900,000 barrels a day of Russian oil refining capacity has been knocked offline, and repairs could take "several weeks, if not months." Support is coming from an EIA report showing record US oil exports in 2023 at an average rate of 4.1 million barrels per day and reduced oil export flows out of Iraq and Saudi Arabia. Reports surfaced late in yesterday's session from the US energy secretary about replenishing SPR reserves following a 180-million barrel draw in recent years, and that's expected to offer a supportive undertone. The oil market could also draft support on reports that BP's Whiting, Indiana refinery has returned to normal operations.



PRODUCT MARKET FUNDAMENTALS: May RBOB prices are a little weaker to start this morning after yesterday's drive above \$2.75 and into another new contract high. A tight US gasoline supply situation supports RBOB, with inventories sitting at 2.6% below their 5-year average for this time of the year at 234.083 million barrels. This is the lowest level inventory reading since November. There's concern about the tight US gasoline supply situation heading into the US driving season and gasoline crack spread into their highest level since August. A report late yesterday from AAA indicated that US gasoline pump prices were at their highest seasonal average in two-years.

NATURAL GAS: May natural gas prices continue to coil inside of a rather tight \$0.13 range heading into the US trading session. The market drafted support in the previous session on weather reports that showed cooler temperatures in the US east coast into the March 23 through 27 time frame. There's also talk that US house republicans launched another probe into the Biden administration's pause on LNG export approvals. The latest from the US energy secretary is that the pause in US LNG export flows is temporary, and that could provide a measure of support to near term natural gas pricing. May natural gas prices carved out a trading range, with near term resistance coming in at \$1.876 and support at \$1.802. Price action above the topside would open the door for a retest of \$2.152.

TODAY'S MARKET IDEAS:

The crude oil complex has received positive demand forces in recent sessions, including improving economic readings and prospect for the US to replenish its depleted strategic petroleum reserves. Despite the supportive

fundamental backdrop, the oil complex has become technically oversold and vulnerable to a corrective setback. This becomes more likely heading into a two-day FOMC meeting with a decision expected Wednesday afternoon. And while expectations are for no change in interest rates, the corresponding press conference could alter the projected path for rates. May crude oil close in support stands at \$81.09. May RBOB enters technically overbought territory, with near term resistance for today coming in at \$2.7455. Weakness under \$2.6727 would favor a larger near-term setback back toward the \$2.60 area.

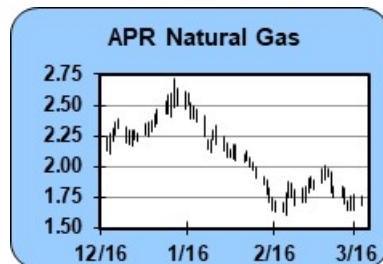
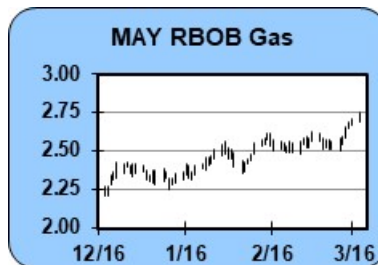
NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

OTHER ENERGY CHARTS:



ENERGY COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

CRUDE OIL (MAY) 03/19/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 83.85. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 83.26 and 83.85, while 1st support hits today at 81.33 and below there at 79.98.

HEATING OIL (MAY) 03/19/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 281.47. The next area of resistance is around 279.14 and 281.47, while 1st support hits today at 272.00 and below there at 267.18.

RBOB GAS (MAY) 03/19/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing

resistance number, the market is in a moderately positive position. The next upside target is 278.89. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 276.47 and 278.89, while 1st support hits today at 270.56 and below there at 267.06.

NATURAL GAS (MAY) 03/19/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 1.760. The next area of resistance is around 1.884 and 1.925, while 1st support hits today at 1.802 and below there at 1.760.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
ENERGY COMPLEX										
CLAK24	82.30	73.53	67.59	74.98	85.52	80.70	79.09	78.39	76.48	75.61
CLAM24	81.66	74.98	68.44	78.50	88.43	80.20	78.60	77.85	76.12	75.33
HOAK24	275.57	69.62	63.67	69.07	86.54	2.70	2.65	2.63	2.62	2.59
HOAM24	272.74	72.28	65.97	73.35	89.66	2.67	2.61	2.59	2.58	2.55
RBAK24	273.52	75.55	69.25	79.54	91.60	2.70	2.62	2.59	2.52	2.48
RBAM24	269.87	75.75	69.39	79.82	91.70	2.66	2.59	2.56	2.49	2.45
NGAK24	1.843	41.92	41.68	26.21	18.46	1.82	1.88	1.93	2.07	2.17
NGAM24	2.094	43.39	43.40	29.01	19.22	2.08	2.13	2.18	2.26	2.35

Calculations based on previous session. Data collected 03/18/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
ENERGY COMPLEX						
CLAK24	Crude Oil	79.97	81.32	81.91	83.26	83.85
CLAM24	Crude Oil	79.53	80.76	81.32	82.55	83.11
HOAK24	Heating Oil	267.17	271.99	274.32	279.14	281.47
HOAM24	Heating Oil	264.75	269.39	271.43	276.08	278.11
RBAK24	RBOB Gas	267.06	270.56	272.98	276.47	278.89
RBAM24	RBOB Gas	263.13	266.84	269.17	272.89	275.20
NGAK24	Natural Gas	1.759	1.801	1.842	1.884	1.925
NGAM24	Natural Gas	2.021	2.058	2.094	2.130	2.166

Calculations based on previous session. Data collected 03/18/2024

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