



## DAILY ENERGY COMPLEX COMMENTARY

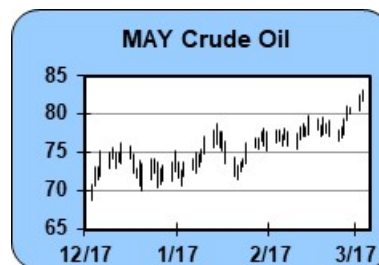
Thursday March 21, 2024

### DAILY ENERGY COMPLEX COMMENTARY

3/21/2024

**Oil & products face deeper corrective decline potential**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**CRUDE -23, HEATING OIL -247, UNLEADED GAS -127**



**CRUDE OIL MARKET FUNDAMENTALS:** The outside market tone is generally supportive for crude oil in the early going, as markets digest a host central bank policy decisions, economic data and the latest EIA inventory figures. May crude oil caught a modest bid yesterday afternoon following the Fed meeting decision that sent global equity markets higher and weighed on the US dollar. The boost in risk-taking sentiment, along with EIA inventory readings that showed a larger than expected draw in US crude supplies injected support under the market and helped shake off yesterday's oil market selloff to \$81.00. However, seeing the Swiss National Bank surprisingly cut interest rates earlier this morning, along with a round of softer European purchasing manager data puts a bid back into the US dollar, and that's keeping the crude oil market on the defensive. However, a host of intermediate term fundamentals support the bull case, including a cutback in Iranian and Saudi Arabian export flows, potential for more Ukrainian drone attacks on Russian oil refining capacity and talk that Israel's Netanyahu is preparing forces for an invasion into Rafah. Additionally, reports that BP's Whiting, IN refinery is back online and near maximum capacity stokes demand for US oil supplies. Yesterday's EIA inventory figures declined for the second consecutive week and were larger than expected. EIA crude stocks fell 1.952 million barrels and are 36.138 million barrels below year ago levels. Also, crude stocks stand 12.678 million barrels below the five-year average. Crude oil imports for the week stood at 6.278 million barrels per day compared to 5.491 million barrels the previous week. The refinery operating rate was 87.8%, up 1.0% from last week compared to 88.6% last year and the five-year average of 86.2%.

**PRODUCT MARKET FUNDAMENTALS:** May RBOB prices are in the process of erasing yesterday's Fed induced bounce as they dance around the \$2.71 area. Positive fundamentals facing RBOB include US inventory levels at a seasonal low and increased Russian demand for US supply. However, reports that BP's Whiting refinery is back online and operating near maximum capacity is expected to boost short term gasoline and distillate supplies. US gasoline supplies declined for the seventh consecutive week and are at their lowest levels in three months. EIA gasoline stocks fell 3.310 million barrels and are 1.175 million barrels above last year and 5.635 million below the five-year average. Average total gasoline demand for the past four weeks was up 0.3% compared to last year. Gasoline imports came in at 496,000 barrels per day compared to 634,000 barrels the previous week. Meanwhile, May ULSD is leading the crude oil complex to the downside, with a measure added weakness coming from an unexpected build in US distillate supplies last week. EIA distillate stocks rose 624,000 barrels and stand at 2.120 million barrels above last year and 6.207 million below the five-year average. Distillate imports came in at 170,000 barrels per day compared to 171,000 barrels the previous week. Average total distillate demand for the past four weeks was down 1.91% compared to last year.

Weekly EIA Petroleum Report					In Million Barrels		
CRUDE OIL		Stocks			Imports	Refinery Capacity(%)	
Week Of	Current	Weekly Change	Yearly Change	5 Year Average	Current	Current	Year Ago

3/15/2024	445.042	-1.952	-36.138	457.720	6.278	87.8	
<b>DISTILLATES</b>	<b>Stocks</b>				<b>Imports</b>	<b>Demand</b>	
<b>Week Of</b>	<b>Current</b>	<b>Weekly Change</b>	<b>Yearly Change</b>	<b>5 Year Average</b>	<b>Current</b>	<b>Current</b>	<b>Year Ago</b>
3/15/2024	118.522	+0.624	+2.120	124.729		3.786	
<b>GASOLINE</b>	<b>Stocks</b>				<b>Imports</b>	<b>Demand</b>	
<b>Week Of</b>	<b>Current</b>	<b>Weekly Change</b>	<b>Yearly Change</b>	<b>5 Year Average</b>	<b>Current</b>	<b>Current</b>	<b>Year Ago</b>
3/15/2024	230.773	-3.310	+1.175	236.408	0.496	8.809	

**NATURAL GAS:** May natural gas prices registered a bearish outside day reversal yesterday after failing to overcome \$1.90 resistance. Talk of a warmer tone to near term weather maps took out some of the short-term demand impetus. Reports of lower natural gas prices attracting Asian demand, especially for LNG, could help stabilize prices over the near term. Maintenance issues at the Freeport LNG terminal that will restrict their exports until May offers a headwind, as does weather forecasts for the start of April that trended warmer for the eastern part of the country. Expectations for this morning's EIA storage report are for an injection in the range of 5 bcf, which compares to the five-year average draw for this week of the year of 42 bcf. Currently, US storage levels are 37% above their five-year average.

**TODAY'S MARKET IDEAS:**

The crude oil complex remains under pressure to start, led by declines in May ULSD. News that BP's Whiting refinery is back online and running near maximum capacity is a factor that will go a long way in replenishing US product supplies. May RBOB gasoline breached support at \$2.7058 this morning, which sets up more downside potential toward support at \$2.6727. Meanwhile, further weakness in May Crude oil under \$80.83 sets up potential for a deeper corrective slide targeting the \$78.00 level.

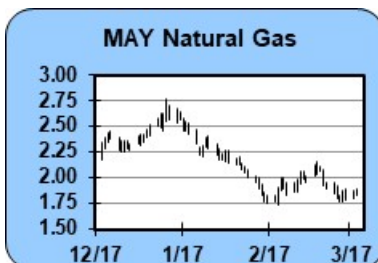
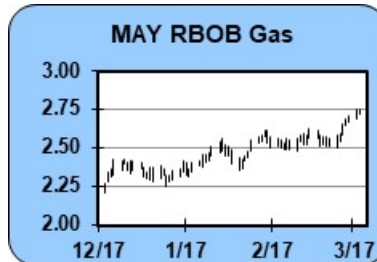
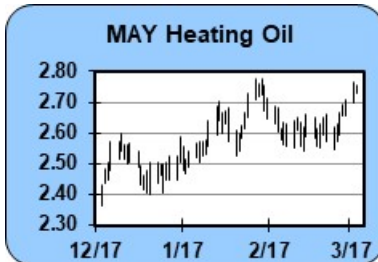
**NEW RECOMMENDATIONS:**

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) 03/21/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The close below the 1st swing support could weigh on the market. The near-term upside target is at 83.44. The next area of resistance is around 82.42 and 83.44, while 1st support hits today at 80.60 and below there at 79.81.

HEATING OIL (MAY) 03/21/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 276.76. The next area of resistance is around 271.57 and 276.76, while 1st support hits today at 263.41 and below there at 260.43.

RBOB GAS (MAY) 03/21/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 276.14. The next area of resistance is around 274.30 and 276.14, while 1st support hits today at 270.12 and below there at 267.77.

NATURAL GAS (MAY) 03/21/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 1.780. The next area of resistance is around 1.877 and 1.925, while 1st support hits today at 1.805 and below there at 1.780.

## 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
<b>ENERGY COMPLEX</b>										
CLAK24	81.51	64.31	62.53	81.12	84.10	81.75	79.92	78.96	76.89	75.86
CLAM24	81.02	65.82	63.51	83.94	86.41	81.21	79.44	78.42	76.51	75.56
HOAK24	267.49	52.78	53.25	75.50	76.47	2.72	2.67	2.64	2.63	2.59
HOAM24	265.81	55.61	55.64	79.55	80.71	2.69	2.64	2.60	2.59	2.55
RBAK24	272.21	67.68	64.87	86.53	90.95	2.73	2.66	2.61	2.54	2.49
RBAM24	268.45	67.47	64.77	86.57	90.66	2.69	2.62	2.58	2.51	2.46
NGAK24	1.841	43.46	42.79	23.76	21.58	1.83	1.84	1.93	2.03	2.15
NGAM24	2.067	41.63	42.37	23.25	17.45	2.08	2.09	2.17	2.23	2.33

Calculations based on previous session. Data collected 03/20/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>ENERGY COMPLEX</b>						
CLAK24	Crude Oil	79.80	80.59	81.62	82.42	83.44
CLAM24	Crude Oil	79.42	80.17	81.10	81.85	82.78
HOAK24	Heating Oil	260.42	263.40	268.59	271.57	276.76
HOAM24	Heating Oil	259.38	262.12	266.76	269.50	274.14
RBAK24	RBOB Gas	267.76	270.11	271.95	274.30	276.14
RBAM24	RBOB Gas	264.08	266.34	268.29	270.55	272.50
NGAK24	Natural Gas	1.779	1.804	1.852	1.877	1.925
NGAM24	Natural Gas	1.999	2.027	2.079	2.107	2.159

Calculations based on previous session. Data collected 03/20/2024

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