



DAILY ENERGY COMPLEX COMMENTARY

Friday March 22, 2024

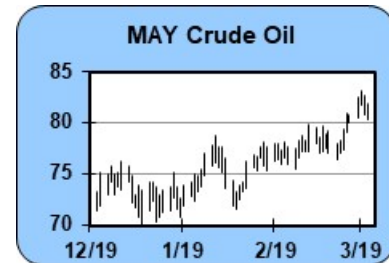
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3/22/2024

Oil monitoring the dollar and geopolitical risks into weekend

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CRUDE +14, HEATING OIL +53, UNLEADED GAS +71

CRUDE OIL MARKET FUNDAMENTALS: Overnight weakness in WTI came from recent strength in the US dollar, but WTI has managed to hold above yesterday's low of \$80.30 and bounce into the US opening. It's possible that seeing favorable economic readings on German business conditions and UK retail sales offer support. The crude oil market also draws support on reports that the US government is looking to purchase 1.5 million barrels of sour crude as it continues to replenish the Strategic Petroleum Reserves, and that combined with an already tight US supply dynamic supports the bull camp. That was highlighted in this week's larger than expected inventory draw, with EIA crude inventories 36.138 million barrels below year ago levels and 12.678 million barrels below the five-year average for this time of the year. The tightening oil supply backdrop is fueling further backwardation in WTI calendar spreads. Tightening supply concern comes following OPEC+'s production cuts, with reduced Iranian and Saudi Arabian oil export flows coming into the market. In the meantime, the geopolitical risk premium could get more attention in today's session and ahead of the weekend following reports that Russia launched over 150 missile and drone attacks overnight on Ukrainian energy infrastructure. This also comes as US officials urged Ukraine to halt strikes on Russian refinery operations. Also, of interest in today's session will be whether there is forward progress on a ceasefire in Gaza, with ongoing talks taking place in Qatar. As it stands, Israel appears ready to launch another attack into Rafah.



PRODUCT MARKET FUNDAMENTALS: May RBOB gasoline prices managed to recover from overnight weakness that held above yesterday's low and rally into the US opening. There is concern in the gasoline market surrounding the return of BP's Whiting refinery and potential boost in short term gasoline and distillate supplies. The bulls point to a tight US gasoline supply dynamic with EIA inventory gasoline inventories at their lowest levels in three months and 5.635 million barrels below the five-year average. However, there is some concern over gasoline demand, with the latest four-week average hovering below the psychological 9.0 million barrel per day mark. Meanwhile, May ULSD showed downside leadership in the crude oil complex in recent sessions, with added weakness coming from an unexpected build in US distillate supplies last week. EIA distillate stocks are 2.120 million barrels above last year and 6.207 million below the five-year average. Average total distillate demand for the past four weeks was down 1.91% compared to last year.

NATURAL GAS: May natural gas prices pushed marginally higher during the initial morning hours and remain trapped inside a trading range. The market sold off early in yesterday's session and cracked below the \$1.80 level in the process. Weekly EIA storage data showed an injection of 7 bcf. Total storage stands at 2,332 bcf or 41.0% above the 5-year average. Over the last four weeks natural gas storage has declined 138 bcf. In addition to a more than ample storage surplus, the bear camp looks to an extended period of reduced LNG export flows out of the Freeport LNG terminal in Texas hanging over the market. Meanwhile, US weather forecasts into early April remain mostly colder than normal, but for now that doesn't appear enough to move the heat-related demand needle. A measure of underlying support comes from reduced US output as a few energy companies are delaying well completions and cutting back on other drilling activities. There is also potential for a boost in Asian demand for LNG as natural gas prices hover near multi-year lows. May natural gas prices carved out a trading range, with

near term resistance coming in at \$1.90 and support at the \$1.80 area. Price action above the topside would open the door for a retest of \$2.152.

EIA Natural Gas Storage Report Summary

In Billion Cubic Feet

Week Of	Week Change	Total Storage	Change From Last Year	4 Week Combined Weekly Change	Percent Change vs 5 Year Average	Percent Change vs 10 Year Average
3/15/2024	7	2332	411	-138	41.0%	

TODAY'S MARKET IDEAS:

Recent weakness in May WTI prices held above the \$80 level, and that along with circulating geopolitical risks give the nod to the bull camp. However, further gains in the US dollar in today's session could erode some of that optimism. Support for May Crude oil comes in at \$80.10. Recent downside price action in May RBOB gasoline breached support at \$2.7058, which sets up potential for more downside targeting \$2.6727. Resistance enters at \$2.7310.

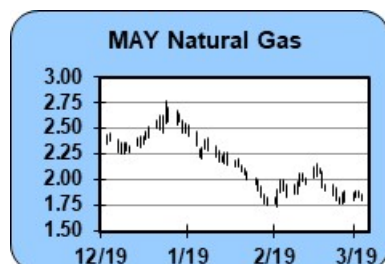
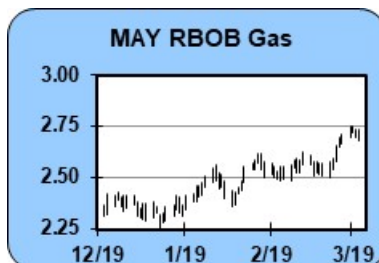
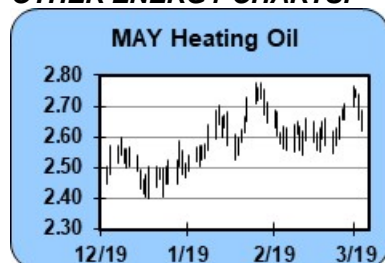
NEW RECOMMENDATIONS:

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) 03/22/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 79.40. The

next area of resistance is around 81.73 and 82.63, while 1st support hits today at 80.11 and below there at 79.40.

HEATING OIL (MAY) 03/22/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 258.46. The next area of resistance is around 267.89 and 271.47, while 1st support hits today at 261.39 and below there at 258.46.

RBOB GAS (MAY) 03/22/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 275.58. The next area of resistance is around 273.10 and 275.58, while 1st support hits today at 268.34 and below there at 266.06.

NATURAL GAS (MAY) 03/22/2024: Momentum studies are declining, but have fallen to oversold levels. The close above the 9-day moving average is a positive short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 1.773. The next area of resistance is around 1.864 and 1.888, while 1st support hits today at 1.806 and below there at 1.773.

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	80.92	59.73	59.69	79.51	77.18	81.77	80.28	79.16	77.08	75.98
CLAM24	80.48	61.14	60.64	82.18	79.59	81.24	79.80	78.62	76.69	75.67
HOAK24	264.64	48.99	50.74	72.39	66.18	2.71	2.67	2.64	2.63	2.59
HOAM24	263.02	51.63	53.01	76.81	71.34	2.68	2.65	2.61	2.59	2.55
RBAK24	270.72	65.77	63.77	87.07	88.14	2.73	2.68	2.62	2.55	2.49
RBAM24	266.95	65.83	63.82	86.97	87.76	2.69	2.64	2.59	2.52	2.47
NGAK24	1.835	42.83	42.42	22.89	20.92	1.85	1.83	1.92	2.02	2.14
NGAM24	2.060	40.86	41.92	20.87	15.70	2.08	2.08	2.17	2.22	2.33

Calculations based on previous session. Data collected 03/21/2024

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	79.39	80.11	81.01	81.73	82.63
CLAM24	Crude Oil	79.09	79.74	80.56	81.21	82.03
HOAK24	Heating Oil	258.45	261.38	264.96	267.89	271.47
HOAM24	Heating Oil	257.34	260.01	263.36	266.03	269.38
RBAK24	RBOB Gas	266.06	268.34	270.82	273.10	275.58
RBAM24	RBOB Gas	262.61	264.70	267.11	269.20	271.61
NGAK24	Natural Gas	1.772	1.806	1.830	1.864	1.888
NGAM24	Natural Gas	1.999	2.033	2.053	2.086	2.106

Calculations based on previous session. Data collected 03/21/2024

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