



DAILY ENERGY COMPLEX COMMENTARY

Friday April 26, 2024

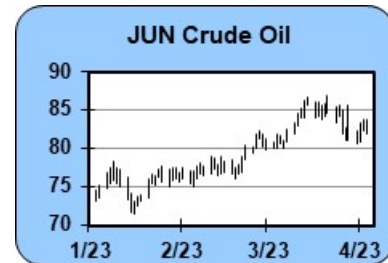
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4/26/2024

Middle East tensions rising again off Israeli airstrikes

OVERNIGHT CHANGES THROUGH 3:16 AM (CT):
CRUDE +31, HEATING OIL +157, UNLEADED GAS +148

CRUDE OIL MARKET FUNDAMENTALS: While the energy markets slipped lower yesterday off ongoing Middle East calm (, and from a dip in global economic sentiment following evidence of residual inflation in the US, calm in the Middle East has been lost. In fact, with Israel intensifying airstrikes in southern Gaza and the international community warning of mass casualties, we suspect fresh incendiary comments from Iran and even more intense protests in support of Hamas around the world. It should be noted that the markets will be presented with the main US PCE report today, and therefore confirmation of hot inflation might not have as significant of an impact as the preliminary reading on Thursday. With the aid package for Ukraine, Israel, and Taiwan packaged with proposed sanctions on Iran, the US President might be hesitant to sign the bill as that could spike US gasoline prices ahead of the election. On the other hand, we think the President's desire to help Ukraine subordinates his aversion to high pump prices and his aversion to awarding Israel support. However, the urgency of aid for Ukraine leaves little wiggle room for the President. In a positive development, Chinese traffic congestion levels rose again in the latest weekly figures with traffic congestion levels rising significantly in the prior two weeks! Critical pivot point support in June crude oil today is \$81.80 and then again at \$83.83. However, with the market taking out a critical pivot point at \$83.43 on the upside overnight that signals a strong finish to the week.



PRODUCT MARKET FUNDAMENTALS: The upside breakout in gasoline prices this morning is largely a function of lift from crude oil prices which in turn are being lifted by Israeli airstrikes in southern Gaza. Volatility in the gasoline market remains high, suggesting the market remains unsettled with respect to supply and demand fundamentals. In slightly bearish developments ARA weekly gasoline stocks increased and Chinese gasoline inventories reportedly reached two month highs this week. Unfortunately for the bull camp, this week's US implied gasoline demand reading was the weakest since the middle of February. However, in a positive demand development, Chinese traffic congestion levels rose again in the latest weekly figures with traffic congestion levels rising significantly in the prior two weeks! Furthermore, US gasoline demand has entered seasonal uptrend timing with implied gasoline demand last year gaining nearly 1 million barrels per day over the coming six weeks. While it is possible the markets will price in expanded weekend uncertainty in the Middle East, we think the gasoline charts have shifted in favor of the bull camp. Furthermore, given sharp gains in US equities and rising ME tensions are likely to lift gasoline prices further today. A pivot point and close in support in June gasoline today is \$2.733, with similar pivot point support in diesel at \$2.5637.

NATURAL GAS: Surprisingly, the natural gas market managed to recover from early lows yesterday despite a much larger than expected weekly inflow to EIA working gas in storage inventories. The weekly natural gas storage report showed an injection of 92 bcf. Total storage stands at 2,425 bcf or 37.0% above the 5-year average. Over the last four weeks, natural gas storage has increased 129 bcf. It should be noted that the surplus to the five-year average inventory level increased this week, which is the first increase since March 22nd. While the US will see pockets of below normal temperatures over the coming week, supplies remain overwhelming and late season heating demand is unlikely to be consequential. We see a greater probability of a test and failure of

contract lows than a trade back to this week's highs. However, a positive longer-term development surfaced overnight with suggestions that demand for US LNG is "booming" but that potential bottom making issue is tempered by the unreliability of US export terminals.

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
4/19/2024	92	2425	439	129	37.0%	

TODAY'S MARKET IDEAS:

Certainly, this week's surprisingly large draw in EIA crude oil stocks is supportive but the primary source of bullish sentiment this morning is intense Israeli airstrikes in southern Gaza which could prompt Iran to issue fresh threats. However, the energy markets should see some lift and/or support from what has been an improvement in economic sentiment over the last 24 hours arising from powerful US tech sector earnings.

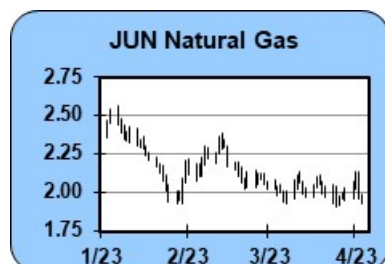
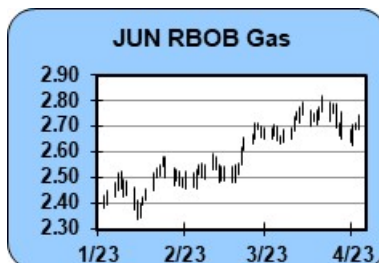
NEW RECOMMENDATIONS:

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 (JUN) 04/26/2024: The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The outside day up is somewhat positive. The market setup is supportive for early gains with the close over the 1st

swing resistance. The near-term upside objective is at 85.17. The next area of resistance is around 84.69 and 85.17, while 1st support hits today at 82.87 and below there at 81.52.

HEATING OIL (JUN) 04/26/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 250.54. The next area of resistance is around 259.49 and 261.75, while 1st support hits today at 253.89 and below there at 250.54.

RBOB GAS (JUN) 04/26/2024: The daily stochastics gave a bullish indicator with a crossover up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The outside day up is somewhat positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 278.49. The next area of resistance is around 277.06 and 278.49, while 1st support hits today at 271.40 and below there at 267.18.

NATURAL GAS (JUN) 04/26/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 1.898. The next area of resistance is around 2.003 and 2.031, while 1st support hits today at 1.937 and below there at 1.898.

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										
CLAM24	83.78	54.93	55.91	39.23	39.24	82.96	83.11	84.10	81.05	79.61
CLAN24	82.96	54.30	55.58	38.64	38.14	82.21	82.44	83.35	80.39	79.03
HOAM24	256.69	37.20	41.46	22.62	20.41	2.57	2.58	2.65	2.62	2.62
HOAN24	257.65	38.17	42.43	24.19	21.83	2.58	2.59	2.65	2.61	2.60
RBAM24	274.23	55.79	56.19	40.57	42.36	2.70	2.71	2.73	2.65	2.61
RBAN24	270.06	56.09	56.53	40.18	41.74	2.66	2.67	2.69	2.61	2.57
NGAM24	1.970	42.87	43.75	44.56	41.23	2.03	2.00	2.02	2.09	2.10
NGAN24	2.328	47.10	47.03	44.78	45.35	2.36	2.33	2.35	2.39	2.38

Calculations based on previous session. Data collected 04/25/2024

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						
CLAM24	Crude Oil	81.51	82.86	83.34	84.69	85.17
CLAN24	Crude Oil	80.83	82.10	82.54	83.81	84.25
HOAM24	Heating Oil	250.53	253.88	256.14	259.49	261.75
HOAN24	Heating Oil	251.67	254.97	257.03	260.33	262.39
RBAM24	RBOB Gas	267.17	271.40	272.83	277.06	278.49
RBAN24	RBOB Gas	263.28	267.34	268.71	272.77	274.14
NGAM24	Natural Gas	1.897	1.936	1.964	2.003	2.031
NGAN24	Natural Gas	2.256	2.294	2.322	2.360	2.388

Calculations based on previous session. Data collected 04/25/2024

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