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NEWS & ANALYSIS

The complex was seeing gains of over one percent as of this writing in overnight session on Friday amid gains in US stock market index futures and mostly higher trade in European shares. Reuters reported that the price of the Russian Urals crude oil blend traded at \$74.00/bbl on average last month, up from \$64.37/bbl in July and rising even further above the \$60.00/bbl price cap imposed by western nations. Market participants looked ahead to US manufacturing and construction spending data, the Employment Situation Report, Canadian GDP, and to the weekly US rig counts from Baker Hughes for further direction.

The Caixin China Manufacturing PMI rose from 49.2 to 51.0 last month, beating the 49.3 forecast and recovering to expansionary territory. The Shanghai Composite rose 0.43% last night, whereas the Hang Seng fell by 0.55%. In Japan, the final August Jibun Bank Manufacturing PMI came in at 49.6, down slightly from 49.7 the month prior. The Nikkei edged up 0.28% last night. In India, the S&P Global/Nikkei Manufacturing PMI for last month came in at 58.6, up from 57.7 in July.

In European news, the final S&P Global Manufacturing PMI for the Eurozone for August came in at 43.5, just below the Econoday consensus at 43.7. The index for France also missed expectations by coming in at 46.0 (vs 46.4), while the German index matched forecasts at 39.1. The DAX was off 0.1% while the CAC 40 had edged up 0.2%, as of this writing. In the UK, the final CIPS/S&P Global Manufacturing PMI for last month came in at 43.0, above expectations at 42.5. The FTSE 100 was up 0.6% as of this writing. US stock market index futures were seeing gains of between 0.2% (Nasdaq futures) and 0.4% (Dow and S&P 500 futures). The US dollar index was steady as of this writing.

WTI futures rose for a sixth consecutive session yesterday while it was a fifth session higher out of six for Brent, amid flat to higher trade in US shares, despite a rally in the US dollar index. Brent crude rose by \$1.00 to \$86.86/bbl and WTI added \$2.00 to close at \$83.63/bbl. Product futures settled mixed on expiration day. While RBOB futures fell 4.28 cents to close at \$2.7664/g, ULSD (HO) gained 4.64 cents to settle at \$3.1426/g. According to Platts, New York Harbor ULSD, ULSHO, and HSHO barge price differentials to NYMEX strengthened by 3.25 cents, 3.50 cents, and 3.00 cents, respectively, to +3.00c/g, -14.50c/g, and -35.75c/g. Consistent with a narrower ULSD-ULSHO spread, biodiesel (D4) RIN prices fell by 2 cents to 141 cents, according to Reuters data. Propane prices were little changed yesterday as Mt. Belvieu TET held steady at 68.50c/g (34.5% of crude) while Conway prices rose by 12.5 points to 66.88c/g (33.7% of crude).

NYMEX natural gas futures lost 2.8 cents to settle at \$2.768/mmBtu yesterday amid a bearish weekly US storage report from the EIA, a downgrade to the two-week CDD forecast, a looser US market balance expectation for next week, and lower European gas prices. The National Hurricane Center is tracking four storms in the Atlantic – post-tropical cyclone Idalia, Hurricane Franklin, Tropical Storm Jose, and Tropical Depression Gert – but none of them are expected to pose a threat to land. There is another disturbance located northwest of the Cabo Verde Islands, which is given a 100% chance of cyclone formation over the next 48 hours.

Heating Oil 8/31/2023
September 01, 2023

Heat Curve	Month	Price	Change	Overnight
2.50 %	Aug 2023	3.1426	0.0464	0.0126
3.80 %	Sep 2023	3.1131	0.0473	
5.00 %	Oct 2023	3.0361	0.0394	
8.50 %	Nov 2023	2.9356	0.0323	
13.50 %	Dec 2023	2.8819	0.0300	
20.50 %	Jan 2024	2.8428	0.0284	
18.00 %	Feb 2024	2.7983	0.0274	
15.70 %	Mar 2024	2.7469	0.0268	
7.00 %	Apr 2024	2.7147	0.0268	
3.50 %	May 2024	2.6912	0.0270	
1.50 %	Jun 2024	2.6811	0.0273	
0.50 %	Jul 2024	2.6725	0.0276	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Aug 2023 - Jul 2024	2.8428
9 Month Strip	Sep 2023 - May 2024	2.8384
Winter Strip	Nov 2023 - Mar 2024	2.8298

RBOB Gasoline 8/31/2023

Month	Price	Change	Overnight
Aug 2023	2.7664	(0.0428)	(0.1710)
Sep 2023	2.5659	(0.0012)	
Oct 2023	2.4803	0.0058	
Nov 2023	2.4033	0.0118	
Dec 2023	2.3658	0.0155	
Jan 2024	2.3566	0.0175	
Feb 2024	2.3638	0.0177	
Mar 2024	2.5513	0.0189	
Apr 2024	2.5465	0.0192	
May 2024	2.5257	0.0187	
Jun 2024	2.4917	0.0176	

DOE Stocks 8/25/2023 vs 5-year avg. (000 bbls)

Crude	422,944	-10,378
Distillate	117,923	-20,596
Gasoline	217,412	-10,739

Other	Price	Change	Overnight
Crude Oil (Oct 2023)	83.6300	2.0000	0.9500
Natural Gas (Oct 2023)	2.7680	(0.0280)	0.0110
Propane - Mont Belvieu	0.6850		

	Price	vs. NYMEX HO
NYH ULSD	3.1431	0.0005
NYH ULSHO	2.9681	(0.1745)
NY Harbor #2	2.7556	(0.3870)