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COMMENTARY: PETROLEUM COMPLEX (WTI | BRENT | ULSD | RBOB)

The complex closed flat to higher today with WTI extending its gaining streak to a seventh consecutive session. The gains came amid early strength in US shares, even as the major US stock market indexes had come off and were trading flat to higher as of this writing, and as European indexes closed mixed and mostly lower. Today was a busy day on the economic calendar. The S&P Global Eurozone Manufacturing PMI was finalized at 43.5, a surprise downward revision from the 43.7 flash estimate. The CIPS/SP Global UK PMI was revised up slightly, from 42.5 to 43.0. The UK FTSE 100 gained 0.34% today, whereas the French CAC 40 shed 0.27% and the German DAX dropped 0.67% lower. In US news, nonfarm payrolls rose by 187,000 last month, topping the 170,000 expectation, but July payrolls were revised down by 30,000. The unemployment rate saw a surprise rise from 3.5% to 3.8%, which market participants may view favorably in terms of inflation and the path of monetary policy, as evidence of labor market slack developing. The participation rate increased by 0.2pp to 62.8%. As of this writing, the Dow was up 0.1% and the S&P 500 had edged up 0.1%, but the Nasdaq was off by 0.1%. The US dollar index was 0.5% stronger, which is unsupportive for crude. In neutral news, Baker Hughes reported no change in the US rig count this week, holding at 512 which is 84 lower than last year at this time.

TECHNICAL LEVELS: ULSD (HO)		Price
RESISTANCE	↑	3 \$3.3383
		2 \$3.2203
		1 \$3.1653
SETTLEMENT PRICE		\$3.1050
SUPPORT	↓	1 \$3.0720
		2 \$3.0019
		3 \$2.8188

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$83.63	\$85.84	\$83.46	\$85.55	+\$1.92	+2.3%
BRENT Crude	\$86.82	\$88.75	\$86.74	\$88.55	+\$1.72	+2.0%
ULSD (HO)	\$3.1165	\$3.1709	\$3.0980	\$3.1050	-\$0.0081	-0.3%
RBOB Gasoline	\$2.5598	\$2.6094	\$2.5582	\$2.5912	+\$0.0253	+1.0%
Natural Gas	\$2.765	\$2.860	\$2.735	\$2.765	-\$0.003	-0.1%

VOLUME	157,662	HIGH
RSI	53.9	NEUTRAL
SLOW STOCHASTICS		BEARISH
MACD		NEUTRAL
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BULLISH
ADX	41.8	FALLING
TECHNICAL DIRECTION		→

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures saw see-saw trade about the unchanged mark today. International prices fell today, with Dutch TTF prices dropping by 94 cents to \$10.35/mmBtu and the Japan Korea Marker falling by 21 cents to \$13.20/mmBtu. Also unsupportive, Refinitiv analysts raised their total US supply forecast for next week by 0.6 to 109.1bcf/d while trimming their demand forecast by 0.2 to 101.7bcf/d, implying larger injections into storage of 7.4bcf/d. The Global Forecast System sees 199 CDDs over the next two weeks, just 1 shy of the previous outlook, and elevated compared to last year's 189 CDDs and the 30-year average of 142. In slightly supportive supply-side news, Baker Hughes reported the loss of 1 US natural gas rig this week, leaving the count at 114. This is 48 lower than last year. The Atlantic remains quite active, but current systems including Hurricane Franklin, Tropical Storm Jose, and Tropical Depression Gert do not look to pose any immediate threat to the US mainland.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	1-Sep	31-Aug	Change (Δ)	
OCT3	\$3.1050	\$3.1426	↓	\$0.0376 -1.2%
NOV3	\$3.0383	\$3.1131	↓	\$0.0748 -2.4%
DEC3	\$2.9395	\$3.0361	↓	\$0.0966 -3.2%
Strip: 12-Months Ratable	\$2.8215	\$2.8547	↓	\$0.0333 -1.2%
Strip: 9-Months Ratable	\$2.8677	\$2.9124	↓	\$0.0448 -1.5%
Strip: Winter (Oct-Apr)	\$2.8475	\$2.8947	↓	\$0.0471 -1.6%

RBOB GASOLINE and PROPANE

RBOB (\$/gallon)	1-Sep	31-Aug	Change (Δ)	
OCT3	\$2.5912	\$2.7664	↓	\$0.1752 -6.3%
NOV3	\$2.5124	\$2.5659	↓	\$0.0535 -2.1%
DEC3	\$2.4405	\$2.4803	↓	\$0.0398 -1.6%
PROPANE (\$/gallon)		31-Aug	Change (Δ)	
Mt. Belvieu	\$0.6925	\$0.6825	↑	\$0.010 +1.5%
Conway	\$0.7425	\$0.6875	↑	\$0.055 +8.0%

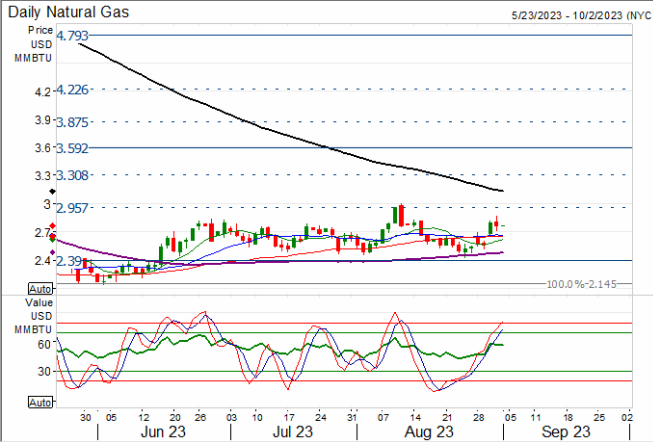


COMMENTARY: ENERGY TECHNICALS (WTI | ULSD | RBOB | NG)

ULSD (HO) futures edged down 0.3% today in an upside session (higher high and a higher low), consistent with our neutral few. Slow stochastics are bearish but not far from reaching oversold conditions, whereas candlesticks, the MACD, and the RSI are neutral. Major averages are still bullish, and the ADX is strong and indicates an uptrend is in place. We continue to expect resistance at the 9-day ma (\$3.1653, tested and held today), followed by \$3.2203, with \$3.0720 and then \$3.0019 as our nearby support levels. RBOB futures rose by 1.0% but there was a very wide gap due to backwardation in the front switch. Futures often work to close the gap, and we are neutral/bullish, seeing next resistance at the 100-day ma (\$2.6637) followed by \$2.7300, whereas the 200-day ma (\$2.5648), followed closely by \$2.514, and then \$2.4932 should offer support. WTI futures, where we are bullish, rose for a seventh consecutive session. Slow stochastics are overbought, but the RSI (68.33) has some remaining headroom. We look to today's \$85.81 high and then to \$90.25 for next resistance, and to \$82.88 and then to the 18-day ma (\$81.44) for nearby support. NYMEX natural gas futures edged down 0.1% in an inside session (lower high and a higher low). We were neutral/bullish, and remain so for now as slow stochastics are bullish but have not reached overbought territory, and the MACD points higher as well. Other indicators are more neutral. We see nearby support at \$2.758 and then at \$2.657, with \$2.898 and then the 200-day ma (\$3.128) as nearby resistance.

CRUDE OIL: WTI				
WTI (\$/barrel)	01-Sep	31-Aug	Change (Δ)	
OCT3	\$85.55	\$83.63	↑	\$1.92 +2.3%
NOV3	\$84.75	\$82.96	↑	\$1.79 +2.2%
DEC3	\$83.90	\$82.26	↑	\$1.64 +2.0%

NATURAL GAS: HH				
NG (\$/MMBTU)	1-Sep	31-Aug	Change (Δ)	
OCT3	\$2.7650	\$2.7680	↓	\$0.0030 -0.1%
NOV3	\$3.1110	\$3.1470	↓	\$0.0360 -1.1%
DEC3	\$3.5480	\$3.6110	↓	\$0.0630 -1.7%



ECONOMIC INDICATORS				
INDICATOR	1-Sep	31-Aug	Change (Δ)	
DJI	34,804	34,722	↑	82.47 +0.2%
Dollar Index (DXY)	104.24	103.62	↑	0.62 +0.6%
EUR/USD	\$1.0776	\$1.0841	↓	-\$0.0065 -0.6%
Gold	\$1,938.5	\$1,938.2	↑	\$0.3 +0.0%

EIA Inventories				
		Week to: 25-Aug-2023		
COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mmbbl)	422.944	433.528	↓	-10.584 -2.4%
Cushing (mmbbl)	29.165	30.669	↓	-1.504 -4.9%
Distillates (mmbbl)	117.923	116.688	↑	1.235 1.1%
East Coast	29.728	28.310	↑	1.418 5.0%
Heating Oil	7.798	7.628	↑	0.170 2.2%
East Coast	1.338	0.974	↑	0.364 37.4%
ULSD	107.964	107.013	↑	0.951 0.9%
East Coast	27.755	26.754	↑	1.001 3.7%
New England	3.329	2.974	↑	0.355 11.9%
Mid Atlantic	14.966	14.261	↑	0.705 4.9%
Propane (mmbbl)	95.465	92.286	↑	3.179 3.4%
East Coast	7.825	7.213	↑	0.612 8.5%
Refinery Utilization (%)	93.30	94.50	↓	-1.200 -1.3%
Natural Gas (bcf)	3,115	3,083	↑	32 1.0%

NYMEX FORWARD CURVES				
MONTH	ULSD	RBOB	WTI	NAT GAS
OCT3	\$3.1050	\$2.5912	\$85.55	\$2.765
NOV3	\$3.0383	\$2.5124	\$84.75	\$3.111
DEC3	\$2.9395	\$2.4405	\$83.90	\$3.548
JAN4	\$2.8882	\$2.4052	\$83.11	\$3.785
FEB4	\$2.8503	\$2.3959	\$82.38	\$3.710
MAR4	\$2.8060	\$2.4023	\$81.72	\$3.400
APR4	\$2.7556	\$2.5879	\$81.12	\$3.109

