

Wednesday, July 2, 2025

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

Crude oil futures saw gains of around three percent today amid flat-to-higher trade in both European equities and US shares, despite a bearish crude oil inventory report from the EIA. In US economic news, the Challenger Job-Cut Report showed planned layoffs fell from 93,816 in May to 47,999 last month. The ADP Employment Report, on the other hand, showed an unexpected drop of 33,000 in non-farm payrolls, missing forecasts calling for a 103,000 increase. The EIA reported large surprise builds in both crude oil and gasoline inventories, but an as-expected draw from distillate stockpiles and an as-predicted build in propane/propylene storage for the week ended June 27 (see our DOE report for details). The major US stock market indexes were trading flat-to-higher this afternoon as the Dow was down just 0.07%, while the S&P 500 and the Nasdaq had gained 0.31% and 0.81%, respectively. European equities closed mostly higher today with the UK FTSE 100 losing 0.12%, whereas the German DAX added 0.49% and the French CAC 40 rose by 0.99%. The US dollar Index was flat as of this writing.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$65.56	\$67.58	\$65.23	\$67.45	+\$2.00	+3.1%
BRENT Crude	\$67.11	\$69.21	\$66.94	\$69.11	+\$2.00	+3.0%
ULSD (HO)	\$2.3338	\$2.4153	\$2.3207	\$2.4117	+\$0.0848	+3.6%
RBOB Gasoline	\$2.0964	\$2.1257	\$2.0813	\$2.1229	+\$0.0226	+1.1%
Natural Gas	\$3.417	\$3.520	\$3.366	\$3.488	+\$0.073	+2.1%

TECHNICAL LEVELS: ULSD (HO)			Price
RESISTANCE	↑	3	\$2.6254
		2	\$2.6000
		1	\$2.4878
SETTLEMENT PRICE			\$2.4117
SUPPORT	↓	1	\$2.4069
		2	\$2.3598
		3	\$2.2840

VOLUME	260,028	HIGH
RSI	60.1	BULLISH
SLOW STOCHASTICS		BULLISH
MACD		NEUTRAL
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BULLISH
ADX	24.8	FALLING
TECHNICAL DIRECTION		→

COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES

NYMEX natural gas futures turned back north today amid an upgrade to the two-week cooling degree day forecast, despite a looser daily US market balance expectation from Bloomberg and lower gas prices abroad. In supportive US news today, the GFS raised its two-week cooling degree day forecast for the Lower 48 states by 15 to 243 CDDs, which is even further above the 30-year average of 202. In the unsupportive column, Bloomberg analysts see total US demand falling from 94.3bcf/d yesterday to 91.8bcf/d today, while total US supply is expected to fall by a lesser value of 0.5 to 98.3bcf/d. The nuclear outage rate held steady at 2% today, which is above last year's 1% outage rate but below the 3% five-year average. Dutch TTF prices edged down 4.2 cents to \$11.575/mmBtu today and Japan Korea Marker prices dropped 23.5 cents lower to \$12.825/mmBtu. The weekly EIA natural gas storage report is due tomorrow, expected to show a 47bcf build in natural gas storage for the week ended last Friday.

ULTRA LOW SULFUR DIESEL (HO)

ULSD (\$/gallon)	7/2/2025	7/1/2025	Change (Δ)	
AUG 25	\$2.4117	\$2.3269	↑	\$0.0848 +3.6%
SEP 25	\$2.3609	\$2.2901	↑	\$0.0708 +3.1%
OCT 25	\$2.3364	\$2.2712	↑	\$0.0652 +2.9%
Strip: 12-Months Ratable	\$2.2577	\$2.1825	↑	\$0.0752 +3.4%
Strip: 9-Months Ratable	\$2.2902	\$2.2056	↑	\$0.0846 +3.8%
Strip: Winter (Oct-Mar)	\$2.2314	\$2.1672	↑	\$0.0641 +3.0%

**RBOB GASOLINE and PROPANE**

RBOB (\$/gallon)	7/2/2025	7/1/2025	Change (Δ)	
AUG 25	\$2.1229	\$2.1003	↑	\$0.0226 +1.1%
SEP 25	\$2.0920	\$2.0673	↑	\$0.0247 +1.2%
OCT 25	\$1.9411	\$1.9132	↑	\$0.0279 +1.5%
PROPANE (\$/gallon)				
	7/1/2025	6/30/2025	Change (Δ)	
Mt. Belvieu	\$0.7217	\$0.7649	↓	-\$0.043 -5.7%
Conway	\$0.6885	\$0.7307	↓	-\$0.042 -5.8%

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

ULSD (HO) futures jumped 3.6% higher in an upside session (higher high, higher low), taking out the 9-day ma (\$2.3598) and the \$2.4069 resistance level in the process. We'll now look there for nearby support and then at \$2.2840, with next resistance seen at \$2.4878, the \$2.6000 mark, and then at \$2.6254. Slow stochastics, the RSI, and moving averages are all bullish, whereas the MACD and candlesticks are more neutral. We'll maintain our neutral stance for the time being, awaiting further bullish confirmation. We were waiting to see if the bulls would follow through with RBOB and futures did end up settling 1.1% higher in an upside session. We now adopt a flat-to-higher price view, continuing to look to \$2.1363 and then to \$2.2080 for next resistance, while keeping an eye on the top of the price channel (\$2.0687) followed by the 200-day ma (\$2.0661) for nearby support. Slow stochastics, the RSI, and moving averages are all bullish, while the MACD and recent candlesticks are neutral. WTI futures rose by 3.1% in an upside session, breaking back into the sideways price channel. Similar to RBOB, we now adopt a neutral/bullish bias, seeing next resistance at the 18-day ma (\$68.17) followed by the 200-day ma (\$68.55), while the \$65.25 and \$63.89 Fibonacci retracements remain our nearby support levels. Recent candlesticks, the MACD, and moving averages are neutral. Slow stochastics and the RSI, on the other hand, are bullish. Lastly, NYMEX natural gas futures added 2.1% in an upside session, settling just above our resistance level at \$3.467. We maintain our bearish stance for the time being, now seeing next support there and then at the 200-day ma (\$3.395), with nearby resistance at the \$3.500 mark (held to a test today) followed by the \$3.869 Fibonacci retracement. Technical indicators are still largely neutral, save for slow stochastics which are now bullish.

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CRUDE OIL: WTI

WTI (\$/barrel)	7/2/2025	7/1/2025	Change (Δ)	
AUG 25	\$67.45	\$65.45	↑	\$2.00 +3.1%
SEP 25	\$66.01	\$64.15	↑	\$1.86 +2.9%
OCT 25	\$64.73	\$63.07	↑	\$1.66 +2.6%



NATURAL GAS: HH

NG (\$/MMBTU)	7/2/2025	7/1/2025	Change (Δ)	
AUG 25	\$3.4880	\$3.4150	↑	\$0.0730 +2.1%
SEP 25	\$3.5110	\$3.4430	↑	\$0.0680 +2.0%
OCT 25	\$3.6190	\$3.5480	↑	\$0.0710 +2.0%

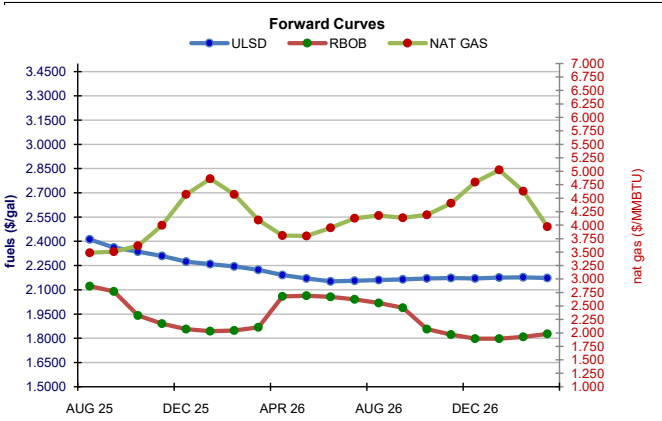


ECONOMIC INDICATORS

INDICATOR	2-Jul	1-Jul	Change (Δ)	
DJI	44,489	44,495	↓	-5.99 -0.0%
Dollar Index (DXY)	96.79	96.82	↓	-0.03 -0.0%
EUR/USD	\$1.1797	\$1.1805	↓	-\$0.0008 -0.1%
Gold	\$3,366.2	\$3,349.8	↑	\$16.4 +0.5%

NYMEX FORWARD CURVES

MONTH	ULSD	RBOB	WTI	NAT GAS
Aug25	\$2.4117	\$2.1229	\$67.45	\$0.066
Sep25	\$2.3609	\$2.0920	\$66.01	\$0.064
Oct25	\$2.3364	\$1.9411	\$64.73	\$0.069
Nov25	\$2.3074	\$1.8912	\$63.83	\$0.058
Dec25	\$2.2737	\$1.8567	\$63.24	\$0.052
Jan26	\$2.2596	\$1.8436	\$62.90	\$0.048
Feb26	\$2.2470	\$1.8489	\$62.69	\$0.041



EIA Inventories

Week to: 27-Jun-2025

COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mbbl)	418.951	415.106	↑	3.845 0.9%
Cushing (mbbl)	0.095	0.095	↑	0.000 0.2%
Distillates (mbbl)	103.622	105.332	↓	-1.710 -1.6%
East Coast	20.731	22.224	↓	-1.493 -6.7%
Heating Oil	5.532	5.734	↓	-0.202 -3.5%
East Coast	0.628	0.605	↑	0.023 3.8%
ULSD	95.038	96.487	↓	-1.449 -1.5%
East Coast	20.205	21.644	↓	-1.439 -6.6%
New England	3.060	3.265	↓	-0.205 -6.3%
Mid Atlantic	9.478	10.409	↓	-0.931 -8.9%
Propane (mbbl)	75.651	72.615	↑	3.036 4.2%
East Coast	6.497	5.710	↑	0.787 13.8%
Refinery Utilization (%)	94.90	94.70	↑	0.200 0.2%
Natural Gas (bcf)	2,898	2,802	↑	96 3.4%

U.S. Distillate Stocks
(Thousand Barrels)