

Wednesday, February 4, 2026

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

Crude oil futures were trading just north of the unchanged mark early in the session but ended up rallying to gains of around 3% following reports that US-Iran nuclear talks have been pushed off for the time being, a largely supportive storage report from the EIA, and mostly higher trade in European equities. Gains in the US dollar index and flat-to-lower trade in US shares, on the other hand, might have weighed on the price action. In the news this afternoon, Bloomberg reported that the US declined Iran's proposal to change the location and discussion points for talks formally planned to talk place this Friday – effectively increasing the chances for a potential US-Iran conflict in the Middle East. In today's weekly inventory report, for the week ended last Friday, the EIA reported larger-than-expected draws from crude oil, distillates, and propane/propylene inventories, but a build in gasoline stocks that were in line with expectations (see our DOE report for details). In US economic news, the ADP Employment report showed a 22,000 increase in private payrolls last month, well below expectations at 45,000. The final January US S&P Global Composite PMI, however, came in at 53.0, above the 52.8 flash estimate. The ISM Services Index for the same month came in at 53.8, as expected. As of this writing, the Dow was up 0.10%, while the S&P 500 and the Nasdaq had lost 0.82% and 1.86%, respectively. Also unsupportive for crude oil prices, the US dollar index had strengthened by 0.3% against a basket of foreign currencies this afternoon. Meanwhile, European equities closed mostly higher today with UK FTSE 100 up 0.85% and the French CAC 40 rising by 1.01%, whereas the German DAX lost 0.72%.

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHANGE \$	CHANGE %
WTI Crude	\$63.80	\$65.53	\$62.86	\$65.14	<b>+\$1.93</b>	+3.1%
BRENT Crude	\$67.89	\$69.76	\$66.98	\$69.46	<b>+\$2.13</b>	+3.2%
ULSD (HO)	\$2.4329	\$2.4758	\$2.3890	\$2.4700	<b>+\$0.0607</b>	+2.5%
RBOB Gasoline	\$1.9054	\$1.9700	\$1.8941	\$1.9652	<b>+\$0.0673</b>	+3.5%
Natural Gas	\$3.370	\$3.548	\$3.264	\$3.465	<b>+\$0.154</b>	+4.7%

TECHNICAL LEVELS: ULSD (HO)			Price
RESISTANCE	↑	3	\$2.7750
		2	\$2.6254
		1	\$2.5412
SETTLEMENT PRICE			\$2.4700
SUPPORT	↓	1	\$2.4069
		2	\$2.3266
		3	\$2.2924

VOLUME	222,423	HIGH
RSI	53.9	BULLISH
SLOW STOCHASTICS		BEARISH
MACD		BULLISH
CANDLE STICKS		NEUTRAL
MOVING AVERAGES		BULLISH
ADX	37.2	FALLING
TECHNICAL DIRECTION		↑

**COMMENTARY: NATURAL GAS | WEATHER | INVENTORIES**

Natural gas futures continued to rally on NYMEX today, rising over 4% higher amid a tighter US market balance expectation from Bloomberg and higher European gas prices, despite a slight downgrade to the two-week heating degree day forecast from the GFS. In supportive US news today, Bloomberg analysts see total US demand rising from 129.7bcf/d yesterday to 133.0bcf/d today, while total US supply is expected to fall by 0.5bcf/d to 99.1bcf/d, implying larger storage withdrawals of 33.9bcf/d. International gas prices were mixed today as Dutch TTF prices rose by 17.3 cents to \$11.688/mmBtu, while Japan Korea Marker prices shed 7.2 cents to hit \$10.456/mmBtu. According to the latest GEFS weather forecast, well- below-normal temperatures are expected across much of the eastern third of the country over the next 1-5 days. The 6-10 day outlook, however, is slightly less supportive with above-normal temperatures seen in the Midwest, with below-normal temperatures seen persisting only in New England. In the unsupportive column, the GFS sees 381 heating degree days for Lower 48 states over the next two weeks, down by 8 from yesterday's forecast and now sitting just below the 30-year averages of 383. US cash market prices continued lower on Tuesday despite gains in futures. Chicago citygate prices fell by 10 cents to \$3.90/mmBtu, benchmark Henry Hub prices lost 29 cents to hit \$4.11/mmBtu, and Transco Zone 6 prices in New York tumbled \$1.81 lower to \$13.39/mmBtu. The weekly EIA natural gas storage report due tomorrow, for the week ended January 30, is expected to show a 376bcf withdrawal according to a Bloomberg survey of analysts.

**ULTRA LOW SULFUR DIESEL (HO)**

ULSD (\$/gallon)	2/4/2026	2/3/2026	Change (Δ)	
MAR 26	\$2.4700	\$2.4093	↑	\$0.0607 +2.5%
APR 26	\$2.3927	\$2.3266	↑	\$0.0661 +2.8%
MAY 26	\$2.3484	\$2.2854	↑	\$0.0630 +2.8%
Strip: 12-Months Ratable	\$2.3120	\$2.2139	↑	\$0.0981 +4.4%
Strip: 9-Months Ratable	\$2.3288	\$2.2256	↑	\$0.1032 +4.6%
Strip: Winter (Mar-Apr)	\$2.3759	\$2.2599	↑	\$0.1160 +5.1%

**RBOB GASOLINE and PROPANE**

RBOB (\$/gallon)	2/4/2026	2/3/2026	Change (Δ)		
MAR 26	\$1.9652	\$1.8979	↑	\$0.0673	+3.5%
APR 26	\$2.1859	\$2.1306	↑	\$0.0553	+2.6%
MAY 26	\$2.1913	\$2.1362	↑	\$0.0551	+2.6%
PROPANE (\$/gallon)	2/3/2026	2/2/2026	Change (Δ)		
Mt. Belvieu	\$0.6258	\$0.6138	↑	\$0.012	+2.0%
Conway	\$0.6154	\$0.6088	↑	\$0.007	+1.1%

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

ULSD (HO) futures settled 2.5% stronger in an upside session (higher high, higher low) – in line with our bullish bias which we maintain. Next resistance can still be seen at the 9-day ma (\$2.5412) followed \$2.6254, while \$2.4069 and the 100-day ma (\$2.3266) are still seen offering nearby support. Moving averages, the RSI, the MACD, and the ADX (37.2) are bullish, while slow stochastics continue to point south and candlesticks are more neutral. RBOB futures shot up 3.5% in an upside session, also consistent with our bullish stance. We'll continue to favor upside chances here as well, looking to the 200-day ma (\$1.9904) and then to \$2.1363 for resistance, with next support seen at the \$1.8849 and \$1.8545 Fibonacci retracements. Slow stochastics have crossed bullishly towards the top of neutral territory with the RSI having little room to rise before confirming overbought conditions. The MACD and today's candlestick are bullish as well, while moving averages remain neutral. WTI futures jumped 3.1% higher in an upside session, taking out the \$63.89 resistance level along the way. Next support can now be seen there followed by the 200-day ma (\$62.30), with \$65.25 (tested today) and the \$70.00 mark as of our resistance levels. Slow stochastics, moving averages, and candlesticks are neutral. Meanwhile, the RSI, the MACD, and the ADX (32.6) all point north. We'll stay on the sidelines for now, waiting to see if we've entered another uptrend. Lastly, NYMEX natural gas rallied 4.7% higher in an upside session, with futures testing but failing to take out our resistance level at \$3.467. We'll continue to look there for resistance and then to \$3.869, while the \$3.000 and \$2.750 marks remain as our nearby support levels. Slow stochastics and the MACD are neutral, while the RSI, the ADX (28.2), and moving averages are bullish. We keep our bullish bias for the time being.

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## CRUDE OIL: WTI

WTI (\$/barrel)	2/4/2026	2/3/2026	Change (Δ)	
MAR 26	\$65.14	\$63.21	↑	\$1.93 +3.1%
APR 26	\$64.75	\$62.83	↑	\$1.92 +3.1%
MAY 26	\$64.36	\$62.48	↑	\$1.88 +3.0%



## NATURAL GAS: HH

NG (\$/MMBTU)	2/4/2026	2/3/2026	Change (Δ)	
MAR 26	\$3.4650	\$3.3110	↑	\$0.1540 +4.7%
APR 26	\$3.3080	\$3.1930	↑	\$0.1150 +3.6%
MAY 26	\$3.3130	\$3.2080	↑	\$0.1050 +3.3%

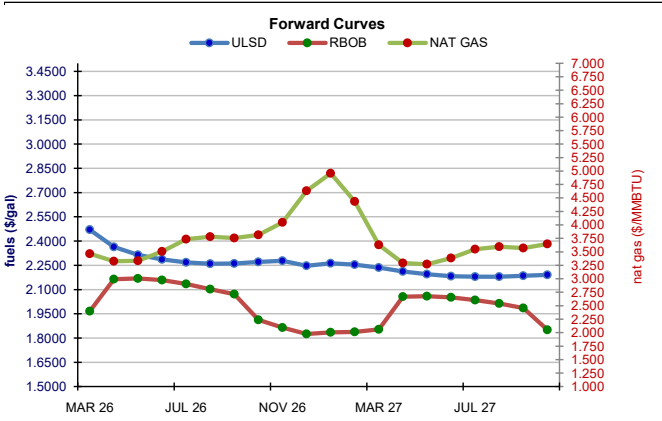


## ECONOMIC INDICATORS

INDICATOR	4-Feb	3-Feb	Change (Δ)	
DJI	49,537	49,241	↑	296.20 +0.6%
Dollar Index (DXY)	97.66	97.44	↑	0.22 +0.2%
EUR/USD	\$1.1806	\$1.1817	↓	-\$0.0011 -0.1%
Gold	\$4,913.2	\$4,903.7	↑	\$9.5 +0.2%

## NYMEX FORWARD CURVES

MONTH	ULSD	RBOB	WTI	NAT GAS
Mar26	\$2.4700	\$1.9652	\$65.14	\$0.163
Apr26	\$2.3927	\$2.1859	\$64.75	\$0.131
May26	\$2.3484	\$2.1913	\$64.36	\$0.125
Jun26	\$2.3140	\$2.1810	\$63.97	\$0.107
Jul26	\$2.2984	\$2.1594	\$63.59	\$0.098
Aug26	\$2.2886	\$2.1280	\$63.23	\$0.091
Sep26	\$2.2855	\$2.0838	\$62.87	\$0.089



## EIA Inventories

Week to: 30-Jan-2026

COMMODITY	Current	Previous	Change (Δ)	
Crude Oil (mbbl)	420.299	423.754	↓	-3.455 -0.8%
Cushing (mbbl)	24.042	24.785	↓	-0.743 -3.0%
Distillates (mbbl)	127.368	132.921	↓	-5.553 -4.2%
Heating Oil				
East Coast	31.287	34.486	↓	-3.199 -9.3%
	6.855	7.015	↓	-0.160 -2.3%
East Coast	0.611	0.421	↑	0.190 45.1%
ULSD				
East Coast	116.126	121.620	↓	-5.494 -4.5%
	30.037	33.295	↓	-3.258 -9.8%
New England	5.059	6.355	↓	-1.296 -20.4%
Mid Atlantic	13.740	15.660	↓	-1.920 -12.3%
Propane (mbbl)	82.716	88.952	↓	-6.236 -7.0%
East Coast	4.907	5.529	↓	-0.622 -11.2%
Refinery Utilization (%)	90.50	90.90	↓	-0.400 -0.4%
Natural Gas (bcf)	2,823	3,065	↓	-242 -7.9%

U.S. Distillate Stocks  
(Thousand Barrels)