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NEWS & ANALYSIS

The complex was rallying further this morning, with crude oil futures rising for a third consecutive session, amid fresh US-Iran clashes in the Middle East and bullish crude oil stock data from the American Petroleum Institute (API), despite mostly lower trade in global shares and some strength in the US dollar index. Market participants looked ahead to the ADP Employment Report, the US S&P Global Composite PMI, the ISM Services Index, US factory orders data, and to weekly petroleum stock data from the Energy Information Administration (EIA) for further direction.

Bloomberg reported that US forces launched several ballistic missiles towards Kuwait and Bahrain to intercept Iranian ballistic missiles and drones aimed at these countries on Tuesday, according to the US Central Command. Some were shot down by US and Bahraini air defenses and none hit their targets. Also supportive, the API reported a 6.80mb draw from US crude oil stockpiles for the week ended May 29, well above forecasts at 3.28mb (average of polls by Bloomberg and the Wall Street Journal). Data for distillates were unresponsive as the agency reported a smaller-than-estimated draw of 0.21mb (vs 1.17mb). Gasoline inventory figures were bearish as the API reported a surprise and large build of 3.50mb, where a 1.22mb draw was expected. An OPIS poll calls for a 1.25mb build in propane and propylene inventories in today's EIA report.

In economic news this morning, the S&P Global Chinese Composite PMI for May came in at 54.4, beating the 52.2 Econoday consensus. The Nikkei/S&P Global India Composite PMI for May was finalized at 59.3, a surprise upward revision from the 58.1 flash estimate and higher than the April print of 58.2 – indicating expansion in the sector accelerated. Asian stock markets closed mixed with the Shanghai Composite adding 0.22% and the Nikkei jumping 2.50% higher, while the Hang Seng lost 1.56%. In European news, the final S&P Global Composite PMI for the Eurozone came in at 48.5, beating the flash estimate at 47.5. Indexes for France and Germany also saw an upward revision to 44.9 and 48.8, respectively. The final UK Composite PMI came in at 49.7, above the 48.5 flash estimate. The Producer Price Index for the Eurozone rose by 0.6% in April, matching forecasts. Despite largely supportive economic data, European stock markets were trading in the red this morning. The CAC 40 and the FTSE 100 were both down by 0.2%, while the DAX had lost 0.8%. US stock market index futures were mixed as futures for the Nasdaq were up 0.2%, while S&P 500 futures were off 0.1% and Dow futures had edged down 0.3%. The US dollar index was up 0.2%, which is unresponsive for crude oil prices.

Petroleum futures saw gains of over one percent yesterday with flat-to-higher trade in global equities and news that Hezbollah would not accept a partial ceasefire with Israel, despite comments from President Trump that a memorandum of understanding with Iran could be signed over the next week. Brent crude added \$1.02 to close at \$96.00/bbl and WTI rose by \$1.60 to settle at \$93.76/bbl. RBOB futures closed 5.96 cents stronger at \$3.1443/g and ULSLD (HO) jumped 5.93 cents higher to settle at \$3.6987/g. The New York Harbor ULSLD barge price differential to NYMEX weakened by 1.25 cents to +2.25c/g, while the ULSHO differential held steady at -27.25c/g. The last reported 2026 biomass-based diesel (D4) RIN price was \$2.35/RIN on June 1. The B99 NYH barge price rose by 5.93 cents to \$3.5987/g. Spot propane prices saw some weakness yesterday with Mt. Belvieu TET prices falling by 31 points to average 84.56c/g (38.3% of crude) and Conway prices edging down 50 points to average 73.00c/g (33.1% of crude).

Natural gas futures traded on NYMEX edged down 1.2 cents to settle at \$3.167/mmBtu yesterday amid a drop in European gas prices, despite a tighter daily US market balance expectation and a higher two-week CDD forecast. The NHC sees no tropical cyclone activity in the Atlantic over the next seven days.

Heating Oil 6/2/2026

June 03, 2026

Heat Curve	Month	Price	Change	Overnight
1.50 %	Jun 2026	3.6987	0.0593	0.1420
0.50 %	Jul 2026	3.6360	0.0586	
2.50 %	Aug 2026	3.5816	0.0553	
3.80 %	Sep 2026	3.5270	0.0530	
5.00 %	Oct 2026	3.4575	0.0514	
8.50 %	Nov 2026	3.3775	0.0500	
13.50 %	Dec 2026	3.3212	0.0509	
20.50 %	Jan 2027	3.2634	0.0518	
18.00 %	Feb 2027	3.1931	0.0524	
15.70 %	Mar 2027	3.1153	0.0524	
7.00 %	Apr 2027	3.0543	0.0521	
3.50 %	May 2027	3.0044	0.0514	

Heating Oil Strips (Weighted by HDD)

12 Month Strip	Jun 2026 - May 2027	3.2574
9 Month Strip	Sep 2026 - May 2027	3.2400
Winter Strip	Nov 2026 - Mar 2027	3.2392

RBOB Gasoline 6/2/2026

Month	Price	Change	Overnight
Jun 2026	3.1443	0.0596	0.0402
Jul 2026	3.0774	0.0609	
Aug 2026	2.9832	0.0553	
Sep 2026	2.7432	0.0423	
Oct 2026	2.6365	0.0401	
Nov 2026	2.5538	0.0396	
Dec 2026	2.5046	0.0411	
Jan 2027	2.4869	0.0425	
Feb 2027	2.4899	0.0435	
Mar 2027	2.6876	0.0426	
Apr 2027	2.6828	0.0432	

DOE Stocks 5/22/2026 vs 5-year avg. (000 bbls)

Crude	441,686	-8,056
Distillate	100,799	-12,910
Gasoline	211,591	-12,603

Other	Price	Change	Overnight
Crude Oil (Jul 2026)	93.7600	1.6000	2.5700
Natural Gas (Jul 2026)	3.1670	(0.0120)	0.0080
Propane - Mont Belvieu	0.8456		

	Price	vs. NYMEX HO
NYH ULSLD	3.7212	0.0225
NYH ULSHO	3.4262	(0.2725)
NY Harbor #2	3.1465	(0.5522)