

Energy Market Trends and Analysis



June 11, 2024

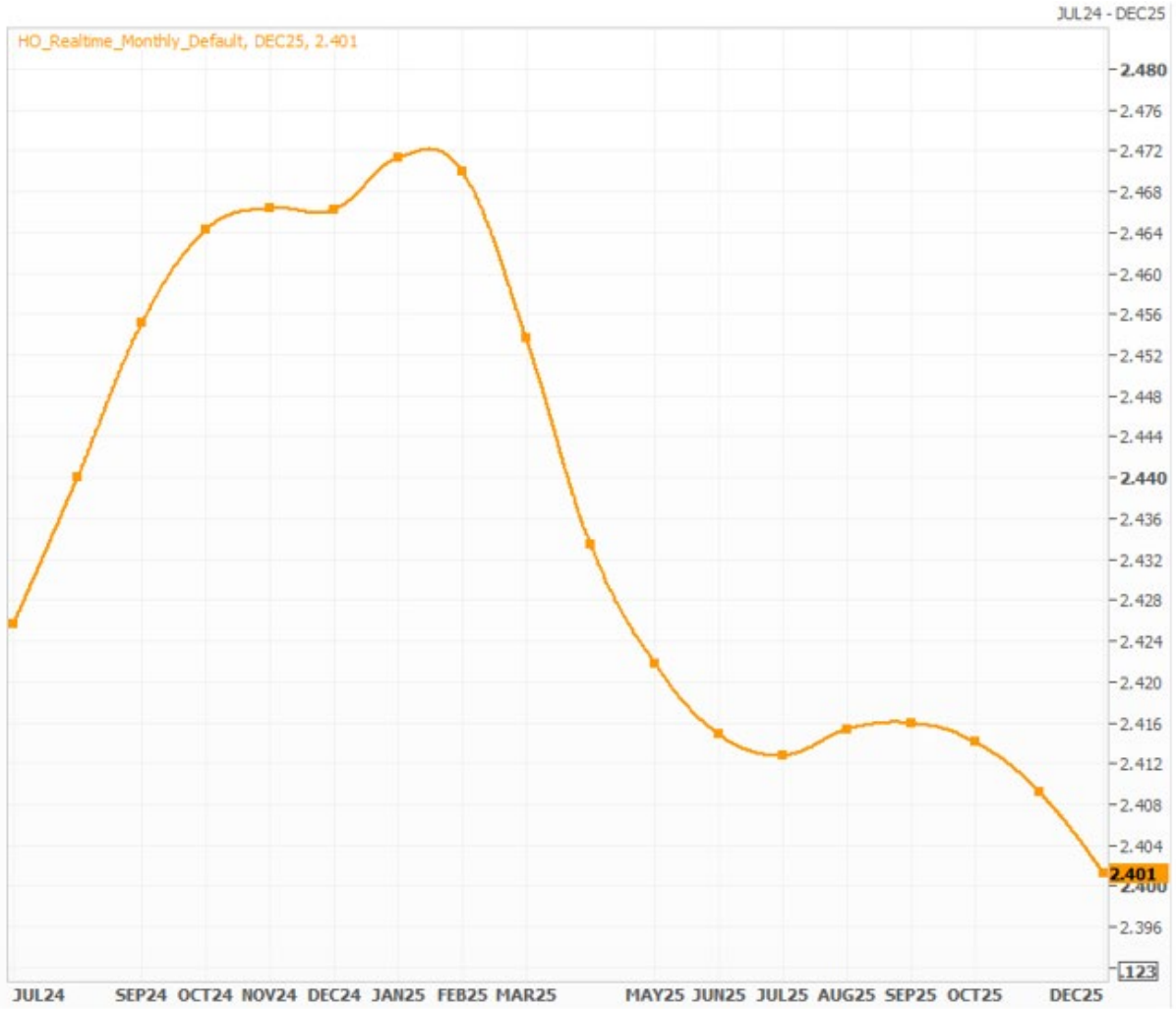
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Afternoon Energy Highlights

By Riley Schwieger

Overview and Outlook: Energies lifted from their earlier lows this morning to post marginal gains at settlement with the exception of RBOB which settled down just under a quarter cent. WTI settled up 16 cents while diesel settled up a half-cent. Natural gas saw an acceleration of gains again today settling up 22 cents. Energy markets found a slight boost from the EIA's Short Term Energy Outlook released today. The monthly report revealed an increase in its global oil demand forecast for both 2024 and 2025 of 200,000 bpd. This was paired with a decrease in its global oil output forecast of 200,000 bpd to 102.6 mbpd. A similar dynamic was shown for natural gas with a higher adjustment in US consumption while production estimates were lowered. The increases in demand and decreases in output left an overall bullish tone for the report. Propane prices outpaced crude today with hubs up over a penny. Conway values have shifted back into the low 70s after resisting a more compelling move lower with crude last week. From a seasonal standpoint, June has presented buying opportunities for propane over the last decade and coverage should be considered for the upcoming heating season. The EIA will post its weekly inventory report tomorrow morning at 9:30 am CT. Reuters is calling for a draw in crude and builds in products for last week and the API survey will be released this afternoon at 3:30 pm CT.

ULSD Forward Curve: Diesel futures remain in contango through the end of this year. This market structure incentivizes buying and storing product to capture the cheaper nearby prices. Futures risk can be mitigated by selling futures to protect against the downside on the priced inventory. Basis risk remains but prices in many regions remain favorable relative to deferred basis values.



	CRUDE	ULSD	RBOB	NATURAL GAS	PROPANE	
<i>Open</i>	78.12	2.4253	2.4265	2.985	Conway	0.7275
<i>High</i>	78.36	2.4430	2.4273	3.154	Change	0.0150
<i>Low</i>	77.22	2.3979	2.3869	2.966		
<i>Settle</i>	77.90	2.4213	2.4089	3.129	Mt. Bel.	0.7500
<i>Change</i>	0.16	0.0066	-0.0020	0.223	Change	0.0187

Spot Markets

Gasoline - Suboctane	Last	Change	Basis	Change
<i>New York</i>	2.411	0.0002	0.0000	0.0000
<i>Gulf Coast</i>	2.246	0.0127	-0.1650	0.0125
<i>Group III</i>	2.211	0.0052	-0.2000	0.0050
<i>Chicago</i>	2.271	0.0402	-0.1400	0.0400
<i>Portland</i>	2.366	0.0333	-0.0450	0.0050

ULSD #2	Last	Change	Basis	Change
<i>New York</i>	2.3997	0.0075	-0.0225	0.0000
<i>Gulf Coast</i>	2.3522	0.0075	-0.0700	0.0000
<i>Group III</i>	2.2472	-0.0025	-0.1750	-0.0100
<i>Chicago</i>	2.1322	0.0475	-0.2900	0.0400
<i>Portland</i>	2.5022	0.0475	0.0800	0.0400

More insights = Less worry

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