



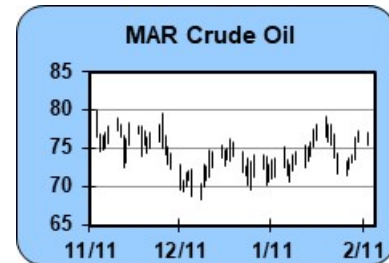
DAILY ENERGY COMPLEX COMMENTARY Tuesday February 13, 2024

DAILY ENERGY COMPLEX COMMENTARY 2/13/2024

Tight product fundamentals support; focus on OPEC and CPI

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CRUDE +55, HEATING OIL +257, UNLEADED GAS +91**

CRUDE OIL MARKET FUNDAMENTALS: March crude oil prices rallied into a new 9-day high this morning, ahead of the latest OPEC monthly report and this morning's CPI report. The outside market tone is mixed to start with equity market weakness and a softer US dollar. Early support for oil came from ongoing cash market tightness, with near term calendar spreads in backwardation, and a major Wall Street bank raising their price outlook in response to a tighter supply and demand outlook. The bank raised their 2024 demand outlook and reduced non-OPEC supply growth. Geopolitical risks remain, with continued Israeli strikes in the southern border town of Rafah and Houthi militants opening fire on a ship headed to Iran. However, there is chatter that the Israel-Hamas conflict could be moving toward a diplomatic solution. There were weekend talks between Saudi Arabia and Iran's foreign minister about a political resolution to fighting in Gaza. There was also a report late Monday that senior Israeli officials are planning a trip to Egypt to talk about a ceasefire. In the meantime, world oil production comes into focus ahead of this morning's OPEC monthly report release. Of particular interest is the demand outlook in the face of Middle East tensions. The trade points to a stronger US economy and recent stimulus measures in China as factors that could bolster demand prospects. However, a pullback in interest rate cut expectations could tamp down the demand outlook. Shortly after that, participants will key into the US consumer inflation report, with the market trying to determine the timing of upcoming Fed interest rate cuts and whether the latest trend of improving US economic data will tamp down rate cut expectations.



PRODUCT MARKET FUNDAMENTALS: RBOB prices pushed into a new high for the move during the early morning hours, aided by a tightening supply situation. Underlying support comes from lingering refinery outages at the BP Whiting, Indiana facility and Phillips 66 Ponca City, Oklahoma refineries. US gasoline production came down following the winter freeze and remains under pressure as some large refineries work to come back online. Tight gasoline inventory situations on both sides of the Atlantic are also supportive. A report late yesterday pointed to an increase US passenger traffic into the week ended February 9, which is another supportive force.

The heating oil market has pushed higher in front of the US opening but so far has been unable to overtake Friday's high. Near-term resistance enters at last week's high at \$2.9735. The European diesel market is flashing signs of tightness as refinery halts and Red Sea disruptions squeeze supplies. A major investment bank lifted their jet fuel demand outlook on prospects for a mid-year uptick in flight activity.

NATURAL GAS: March natural gas prices are trying to stabilize yesterday's weak performance and enter the US trading hours fractionally higher. This comes as the market finished lower for the sixth consecutive session yesterday and into a new low for the decline. The market remains hamstrung by weather forecasts calling for warmer temperatures later this month. This view was confirmed by the latest NOAA National Weather Service that forecast heating degree days are 20% below the seasonal average into February 17. Another negative headwind comes on reports of a growing backlog of utility power generation sources expected this year. A report out yesterday pointed to 59 GW of new solar, wind and battery capacity expected this year. The US added 31GW in 2023. The natural gas market is technically oversold and vulnerable to short-covering rallies without fresh

bearish news flow.

TODAY'S MARKET IDEAS:

Focus for crude oil and product markets turns to this morning's US inflation figures and what impact that might have on this year's interest rate cut prospects. Also of interest will be headline flow from the monthly OPEC report. The near-term trend in the oil market supports the bull camp, with the next area of resistance coming in at the January 29 high of \$79.29. March crude oil has support at \$75.45. The next area of resistance for March RBOB stands at \$1.4061.

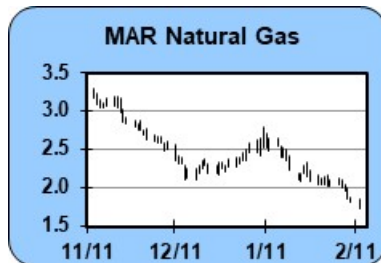
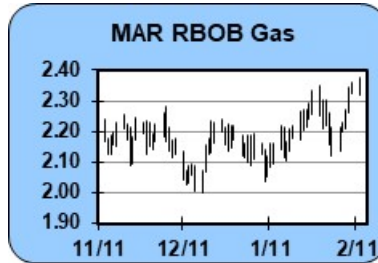
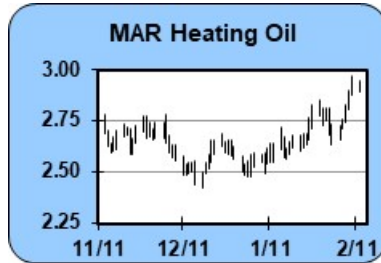
NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

OTHER ENERGY CHARTS:



ENERGY COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

CRUDE OIL (MAR) 02/13/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 78.20. The next area of resistance is around 77.76 and 78.20, while 1st support hits today at 76.22 and below there at 75.11.

HEATING OIL (MAR) 02/13/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 298.12. The next area of resistance is around 295.80 and 298.12, while 1st support hits today at 290.38 and below there at 287.27.

RBOB GAS (MAR) 02/13/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 241.38. The next area of resistance is around 239.65 and 241.38, while 1st support hits today at 233.91 and below there at 229.91.

NATURAL GAS (MAR) 02/13/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 1.642. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 1.813 and 1.903, while 1st support hits today at 1.683 and below there at 1.642.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
ENERGY COMPLEX										
CLAH24	76.98	61.94	58.14	49.74	57.34	75.96	74.65	75.18	73.50	73.98
CLAJ24	76.88	62.14	58.25	50.19	58.02	75.94	74.64	75.11	73.55	74.01
HOAH24	293.09	69.11	66.60	77.12	84.41	2.90	2.80	2.76	2.64	2.65
HOAJ24	284.62	69.94	67.01	78.16	85.13	2.82	2.73	2.69	2.58	2.59
RBAH24	236.78	68.34	63.87	68.91	81.88	2.33	2.26	2.26	2.18	2.18
RBAJ24	259.24	70.43	65.81	70.58	82.61	2.55	2.48	2.47	2.39	2.38
NGAH24	1.748	17.95	24.76	6.77	5.28	1.87	1.98	2.08	2.27	2.39
NGAJ24	1.788	17.09	24.29	6.85	5.65	1.90	1.99	2.10	2.26	2.37

Calculations based on previous session. Data collected 02/12/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
ENERGY COMPLEX						
CLAH24	Crude Oil	75.10	76.21	76.65	77.76	78.20
CLAJ24	Crude Oil	75.05	76.12	76.56	77.63	78.07
HOAH24	Heating Oil	287.26	290.37	292.69	295.80	298.12
HOAJ24	Heating Oil	279.41	282.28	284.09	286.96	288.77
RBAH24	RBOB Gas	229.90	233.91	235.64	239.65	241.38
RBAJ24	RBOB Gas	253.17	256.70	258.25	261.78	263.33
NGAH24	Natural Gas	1.641	1.682	1.772	1.813	1.903
NGAJ24	Natural Gas	1.689	1.728	1.809	1.848	1.929

Calculations based on previous session. Data collected 02/12/2024

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