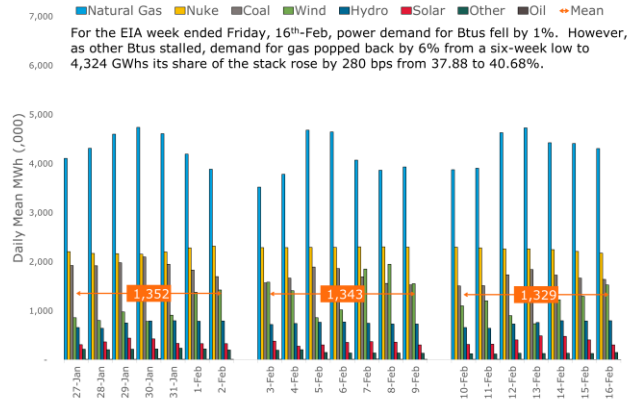




EIA U.S. Net Generation by Energy Source



**Probability Today's Close Will Finish Below/Above Previous Session's Low/High Prints**

Instrument	Prev Close	Close <	Close >
NYMEX NG, Mar-24	\$ 1.609	\$1.575 34%	\$1.637 36%
NYMEX WTI, Mar-24	\$ 78.46	\$76.69 22%	\$78.52 48%
ICE Brent, Apr-24	\$ 83.56	\$82.55 33%	\$83.60 49%
NYMEX RBOB, Mar-24 (13.5 RVP)	\$ 2.3360	\$2.2747 23%	\$2.3374 49%
NYMEX ULSD, Mar-24	\$ 2.8066	\$2.7520 28%	\$2.8233 42%
ICE Gasoil, Mar-24	\$ 854.25	\$839.50 32%	\$858.25 44%

**Nota Bene:** For the latest EIA week ending Friday, February 16<sup>th</sup>, electricity demand was 1% lower w/w but 1% higher y/y at 10,681 GWhs.

## Omnium Gatherum

PRICES WERE MIXED LAST WEEK... oil rallied at the end of the week as the [Lebanon/Hezbollah](#) and the [Red Sea/Houthi](#) theaters of Iran's war with the West escalated. Spot NYMEX natty tanked to within striking distance of the \$1.323 per MMBtu record low from January 1995.

## EIA Natural Gas Recap

As of Friday, February 09<sup>th</sup>, L48 storage stood at 2.535 Tcf. This season's delivery is 1.301 Tcf, which is 77 Bcf (5.6%) below last winter's delivery and 189 Bcf (12.7%) below the seasonally adjusted norm of 1.490 Tcf.

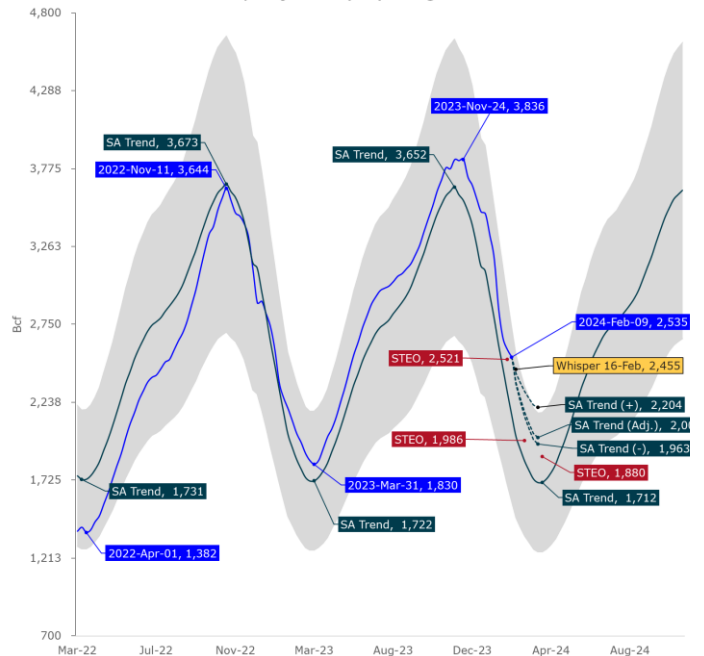
Unfortunately for gas bulls, last week's nor'easter along the I95 corridor failed to make a significant impact on this season's meager pace of withdrawals. The typical delivery for the middle of February is 170 ± 39 Bcf. However, this Thursday's report will be nowhere near this range.

For example, mean temps in New York City averaged 38.8°F which was slightly higher (0.3°) higher week-over-week and 4.6°s above normal. In Chicago—the most important winter market of them all—demand was 6.6°s colder week-over-week at 34.0°F, yet temps were still 6.0°s (21%) above normal.

## EIA Petroleum Recap

As of Friday, February 09<sup>th</sup>, crude oil demand is approaching the bottom of the seasonal lull. On a three-week rolling average, utilization rates fell by 163 bps from 83.60% of capacity to 81.97%, while implied demand for crude oil fell by 0.25 MMb/d to 14.74 MMb/d. Utilization and implied demand normally hit its seasonal nadir at the end of this month and then slowly rebound as refiners return from maintenance.

EIA Underground Storage Natural Gas L48 Seasonally Adjusted (SA) Range & Trendline



## Market Bias & Commitments of Traders

We have added a new feature to our report for the start of the week. We are now including the CFTC data for Large Speculators in our Directional Momentum & Money Flow table.

Directional Momentum & Money Flow As Of Tuesday, February 13, 2024							
		NYMEX NG	NYMEX WTI	ICE Brent	NYMEX RBOB	NYMEX ULSD	ICE Gasoil
Price	Trend	Falling	Rising	Falling	Rising	Rising	Rising
Volume	Trend	Falling	Rising	Rising	Rising	Rising	Rising
	Bias	Bullish	Bullish	Bearish	Bullish	Bullish	Bullish
Open Interest	Trend	Rising	Rising	Rising	Rising	Rising	Falling
	Bias	Bearish	Bullish	Bearish	Bullish	Bullish	Bearish
Market Signal		Neutral	Bullish	Bearish	Bullish	Bullish	Neutral
Market Volatility		Falling	Falling	Falling	Rising	Falling	Falling
CFTC Commitments of Traders							
Managed Money Longs		466,618	189,458	343,231	80,669	48,718	128,263
W/W		62,285	13,178	34,086	8,500	13,707	7,692
Managed Money Shorts		535,693	126,206	64,254	18,529	21,650	46,927
W/W		73,115	(13,720)	(8,147)	3,314	3,647	(6,872)
% of OI Longs		8.84%	8.14%	14.99%	20.78%	12.89%	16.39%
W/W		0.72%	0.88%	1.16%	1.62%	3.08%	1.07%
% of OI Shorts		10.15%	5.42%	2.81%	4.77%	5.73%	6.00%
W/W		0.86%	-0.34%	-0.43%	0.73%	0.68%	-0.84%
Bullish Traders		102	74	103	65	46	65
W/W		6	(1)	12	12	11	0
Longs per Trader		4,575	2,560	3,332	1,241	1,059	1,973
W/W		363	210	(65)	(121)	59	118
Bearish Traders		136	49	33	21	17	21
W/W		(1)	(4)	0	0	0	3
Shorts per Trader		3,939	2,576	1,947	882	1,274	2,235
W/W		562	(64)	(247)	158	215	(754)
Other Reportables Longs		327,902	210,738	143,454	24,600	12,978	18,359
W/W		24,875	(3,955)	3,076	(1,520)	(1,333)	1,067
Other Reportables Shorts		304,432	64,415	376,954	20,404	18,450	175,948
W/W		43,420	5,217	(6,575)	2,034	5,505	11,685
% of OI Longs		6.21%	9.05%	6.26%	6.34%	3.43%	2.35%
W/W		0.13%	0.21%	-0.01%	-0.60%	-0.58%	0.15%
% of OI Shorts		5.77%	2.77%	16.46%	5.26%	4.88%	22.48%
W/W		0.53%	0.33%	-0.69%	0.38%	1.25%	1.61%
Bullish Traders		177	76	47	24	12	19
W/W		18	3	(2)	1	(1)	0
Longs per Trader		1,853	2,773	3,052	1,025	1,082	966
W/W		(53)	(168)	187	(111)	(19)	56
Bearish Traders		110	48	44	23	20	19
W/W		3	(3)	5	1	3	(1)
Shorts per Trader		2,768	1,342	8,567	887	923	9,260
W/W		328	181	(1,267)	52	161	1,047

As illustrated, there have been some interesting positioning by speculators in the NYMEX natural gas complex, as well as the ICE Brent and gasoil markets.

Let's begin with NYMEX natty. Prices are obviously trending lower as is trading volume. The drop in volume is signaling a lack of participant interest, potential market consolidation, and or a shift in sentiment, in this case, from bearish to bullish. However, open interest is trending higher which signals news bearish money is entering, a bearish signal. So given these two offsetting metrics, market direction is neutral.

In the CFTC data, Managed Money (e.g., hedge funds) increased their net length in the seven most active NYMEX and ICE contracts by 62,285, while the bearish funds upped their length by 73,115 contract. When we look at it on a per trader basis, then bullish funds are long 4,575 contracts, while the bears are short 3,939 contracts.

The Other Reportables (e.g., institutional investors) are more interesting. The bulls upped their length by 24,875 contracts to 327,902 and the bears upped their position by 43,420 contracts to 304,432. However, because there are now 177 bullish traders against 110 bears, the bulls are long 1,853 contracts per, while the bears are short 2,768 contracts per. **Therefore, the bulls appear to be in a stronger position.**

When it comes to the ICE Brent market, the front end of the curve is actually trending (slightly) lower on rising volume and open interest, which overall, is a bearish signal.

Meanwhile, bullish hedge funds increased their position by 34,086 contracts while 12 new bulls entered the market. Therefore, longs per trader decreased slightly to 3,332 contracts.

The real fun is taking place with institutional investors. As of a week ago today, five news bears entered the market which slashed their position per trader by 1,267 to 8,567 contracts.

What caught our attention was the trading action in ICE gasoil futures. Over the latest week, one bear in the Other Reportable category dropped out, but the number of shorts per trader ballooned by 1,047 to 9,260 contracts. As a result, **bearish institutional investors account for 22½% of open interest**

