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Fundamental Analytics

Crude Oil, Gasoline and Diesel Fuels: The Current State of Supply and Demand as viewed through the fundamental data of Fundamental Analytics

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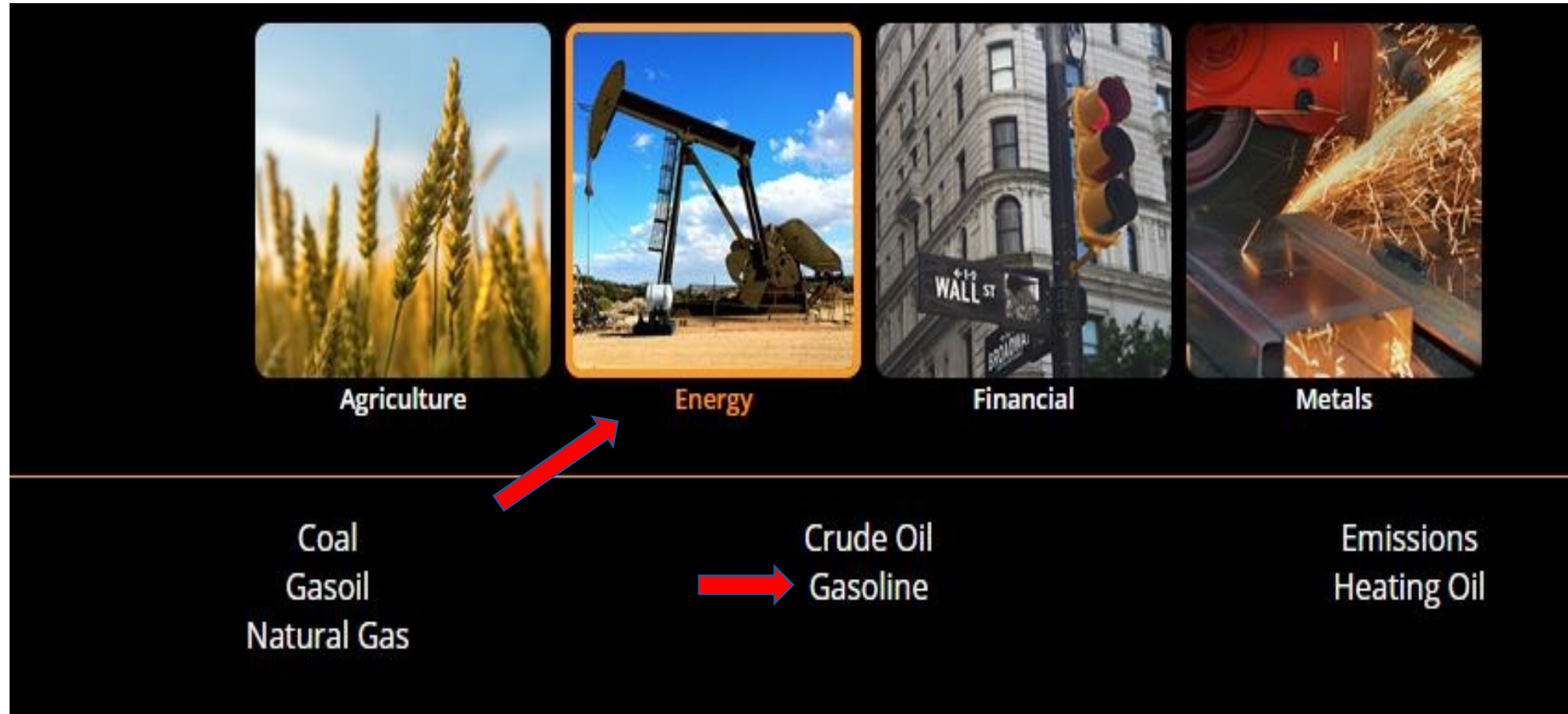
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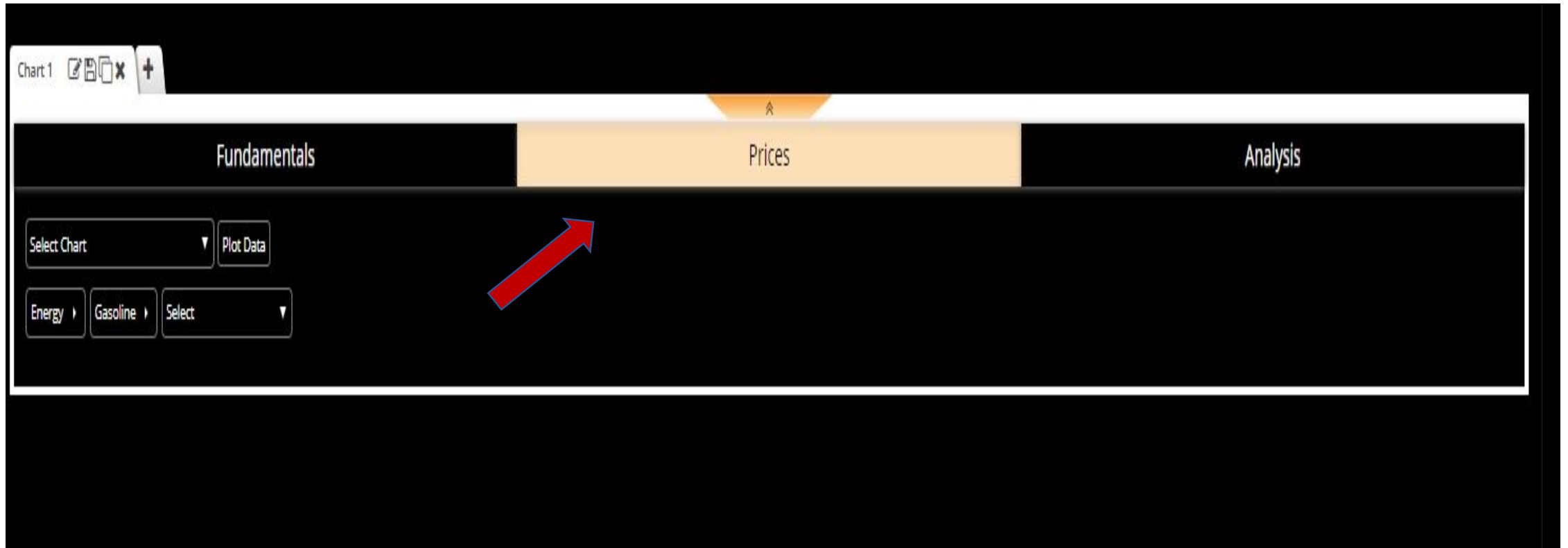
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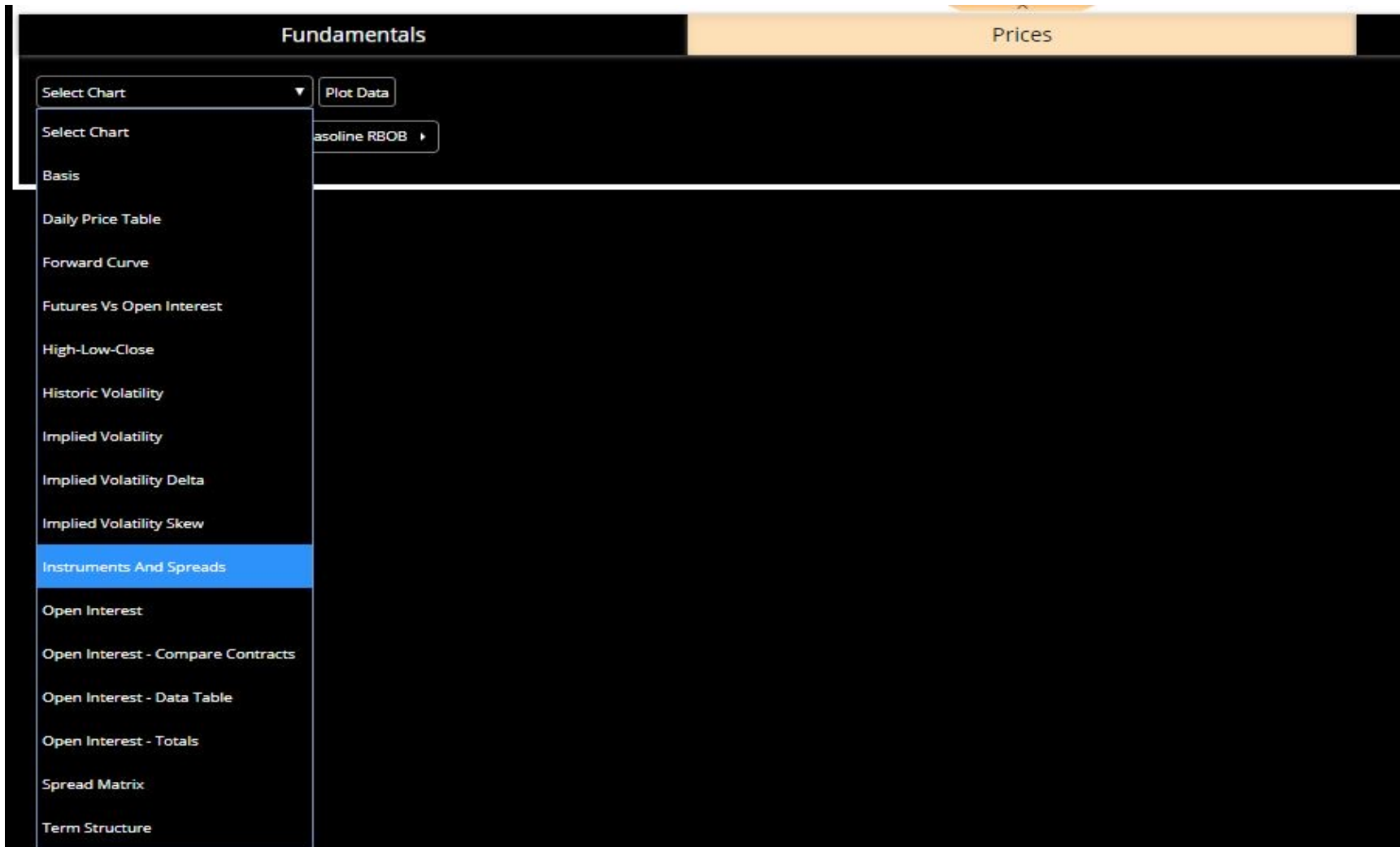
After choosing the Energy icon we view the energy commodity choices



Prices is highlighted with the Gasoline product.

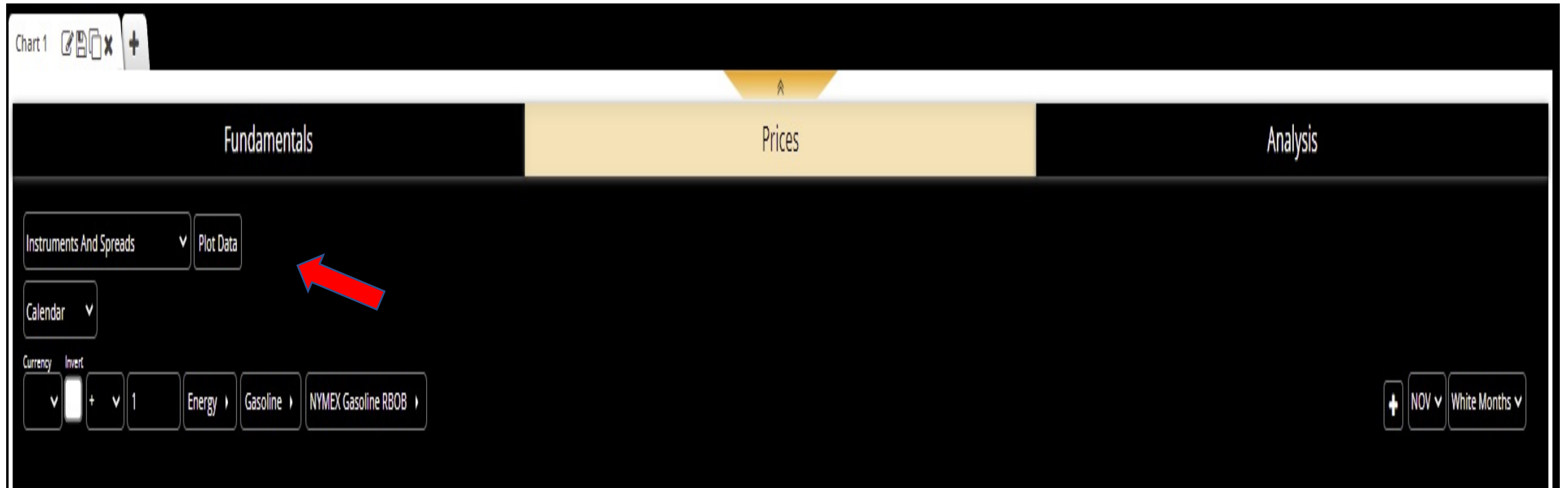


Using the dropdown we choose Instruments and Spreads

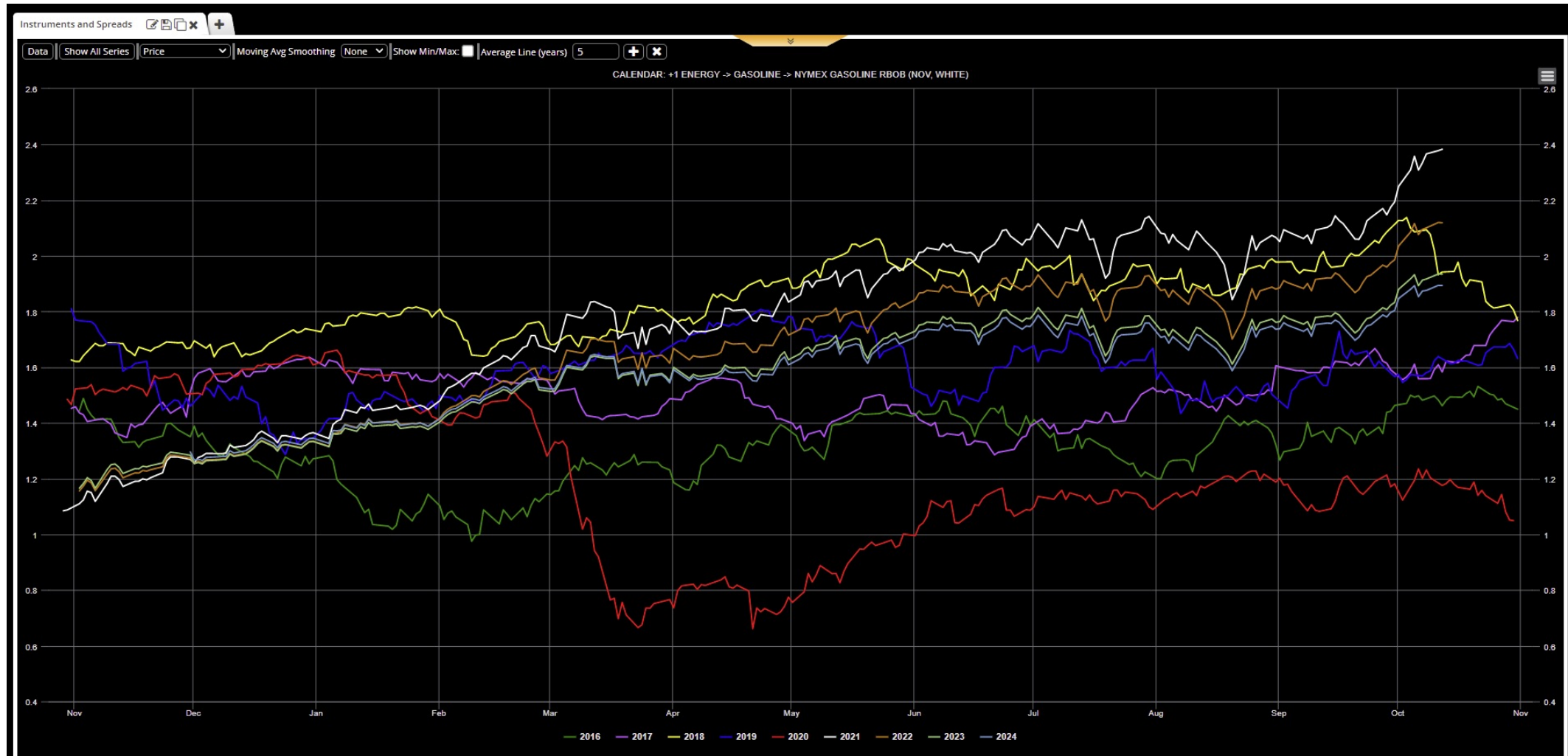


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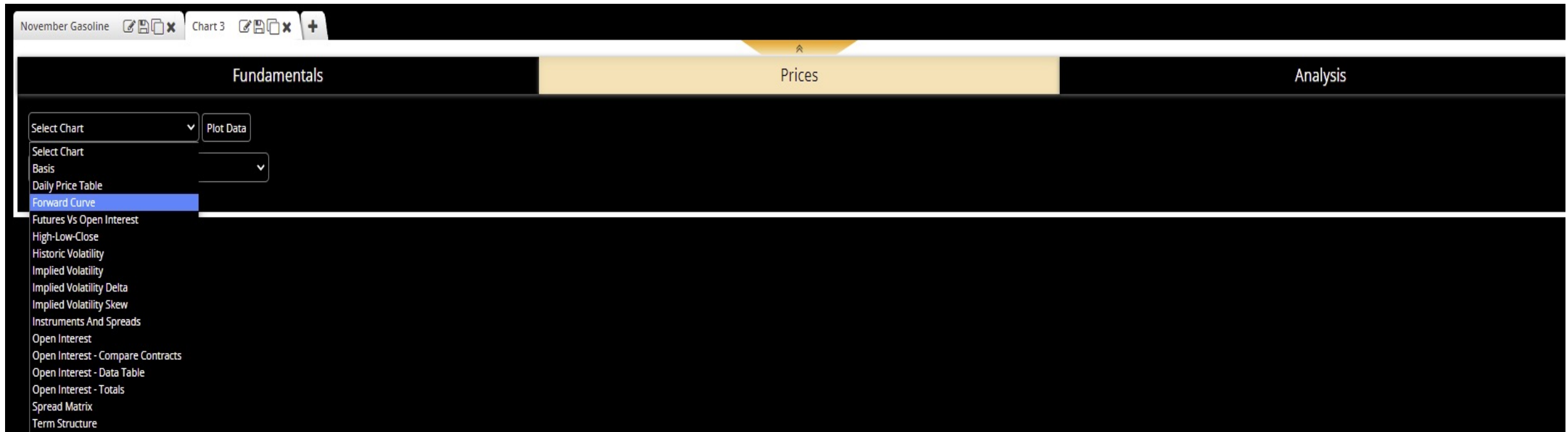
Then we click on Plot Data



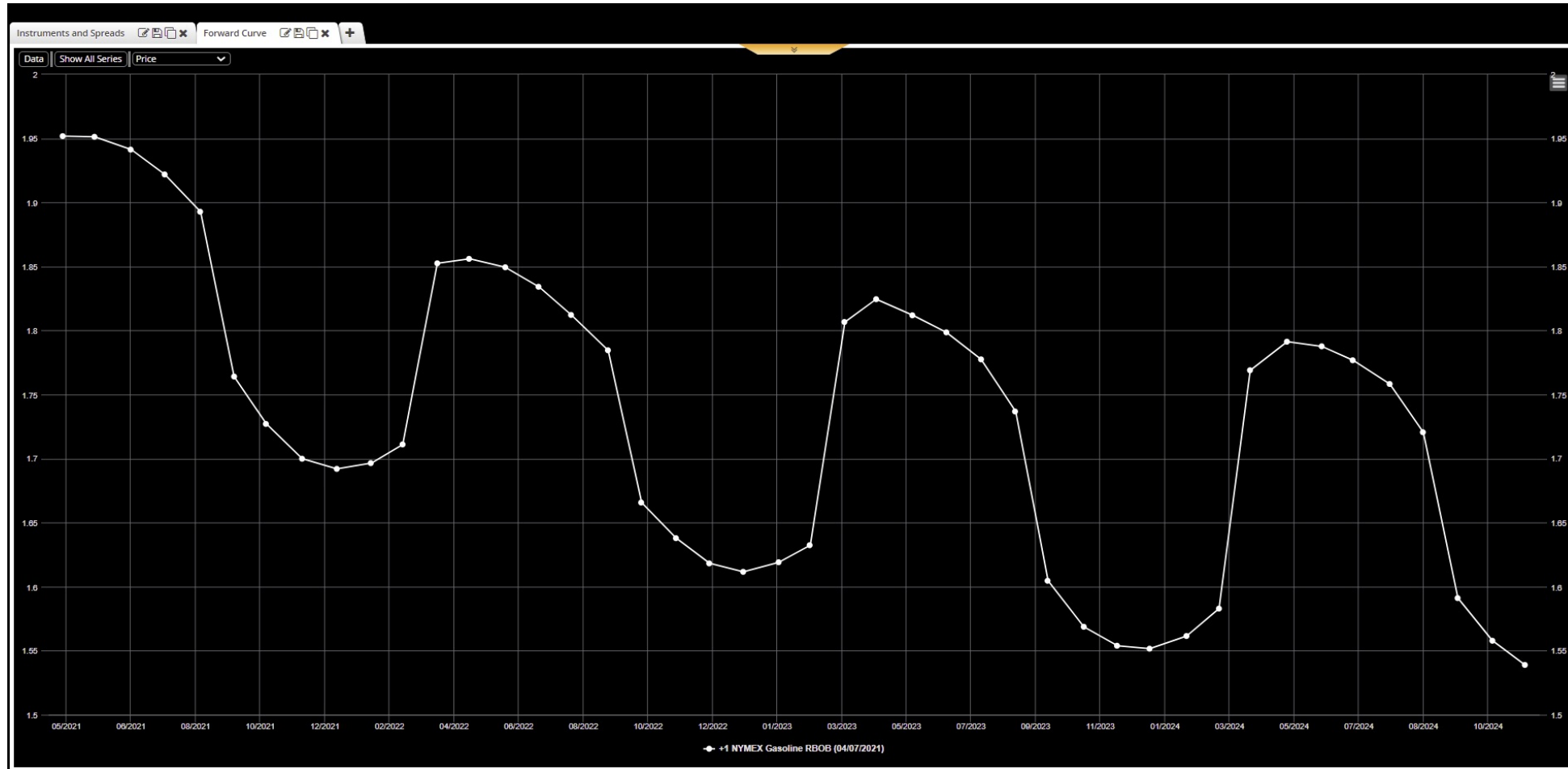
A year –on-year plot is created of the November RBOB Gasoline futures prices price going back to 2016



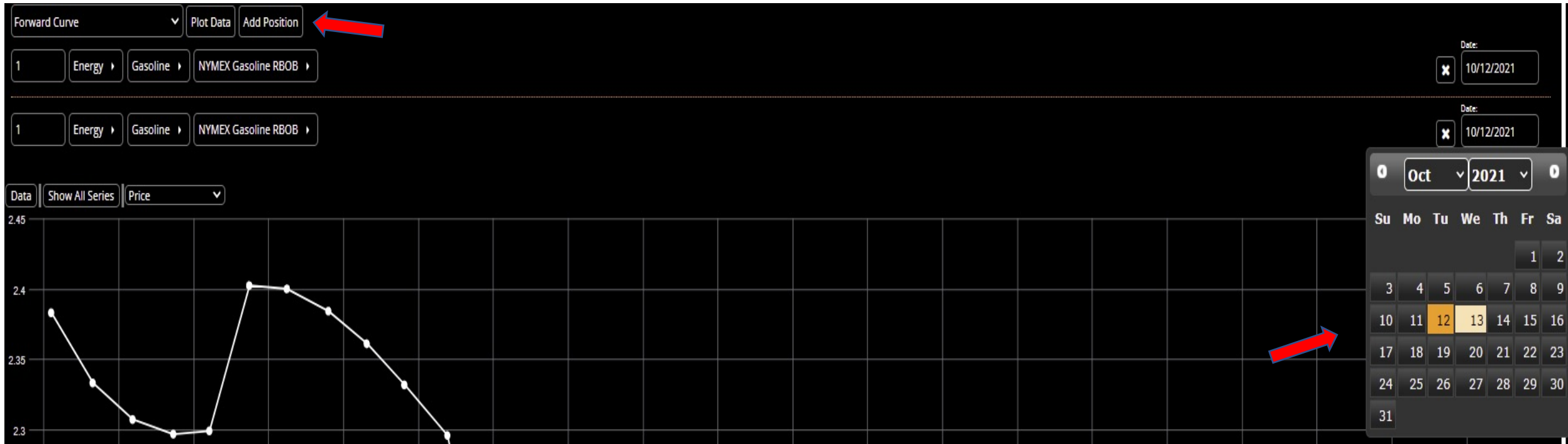
Using the dropdown again under Prices we choose the Forward Curve



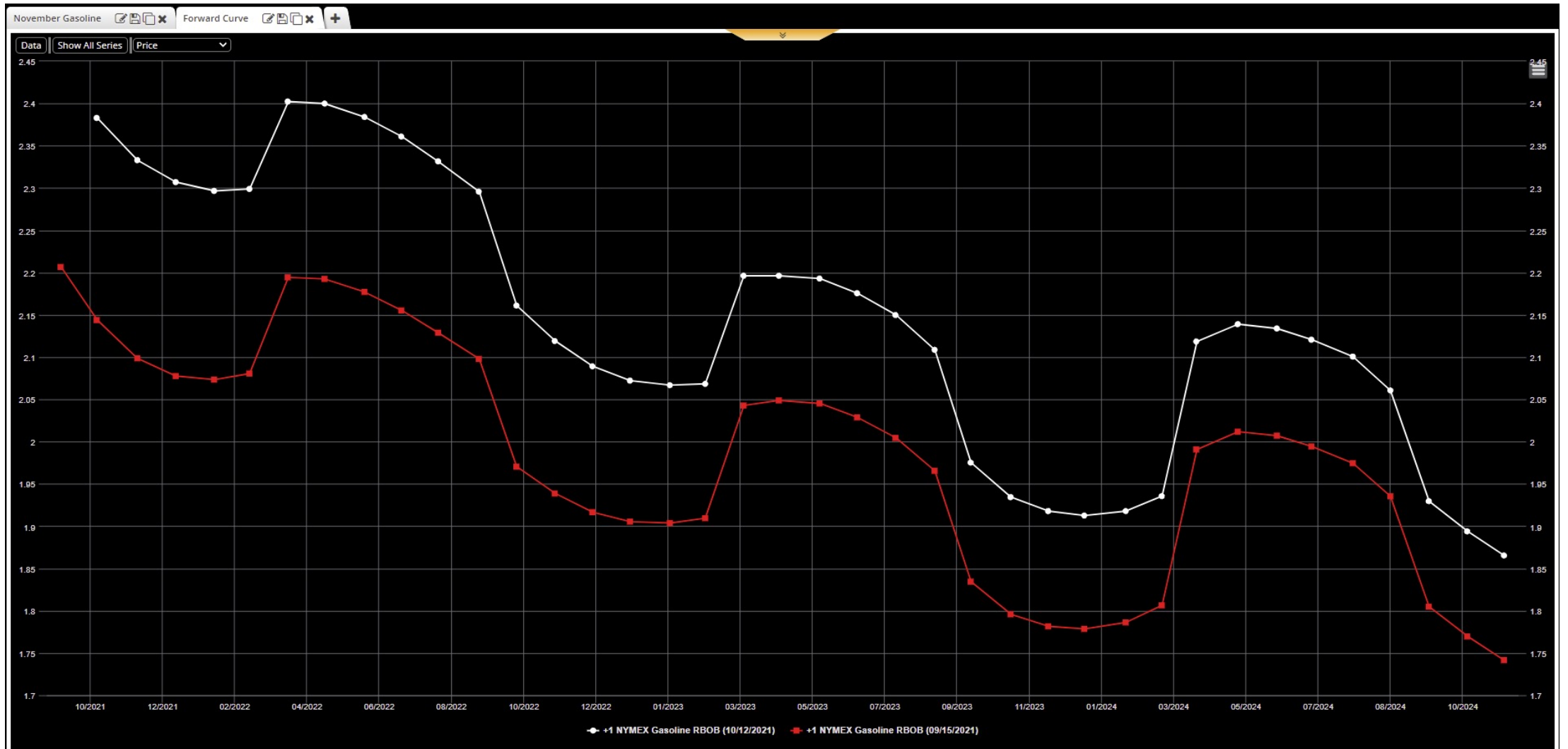
Clicking on the Plot Data button retrieves a graph of the Forward Curve



We Add Position and click on the date box to bring up another date to compare with the most recent.

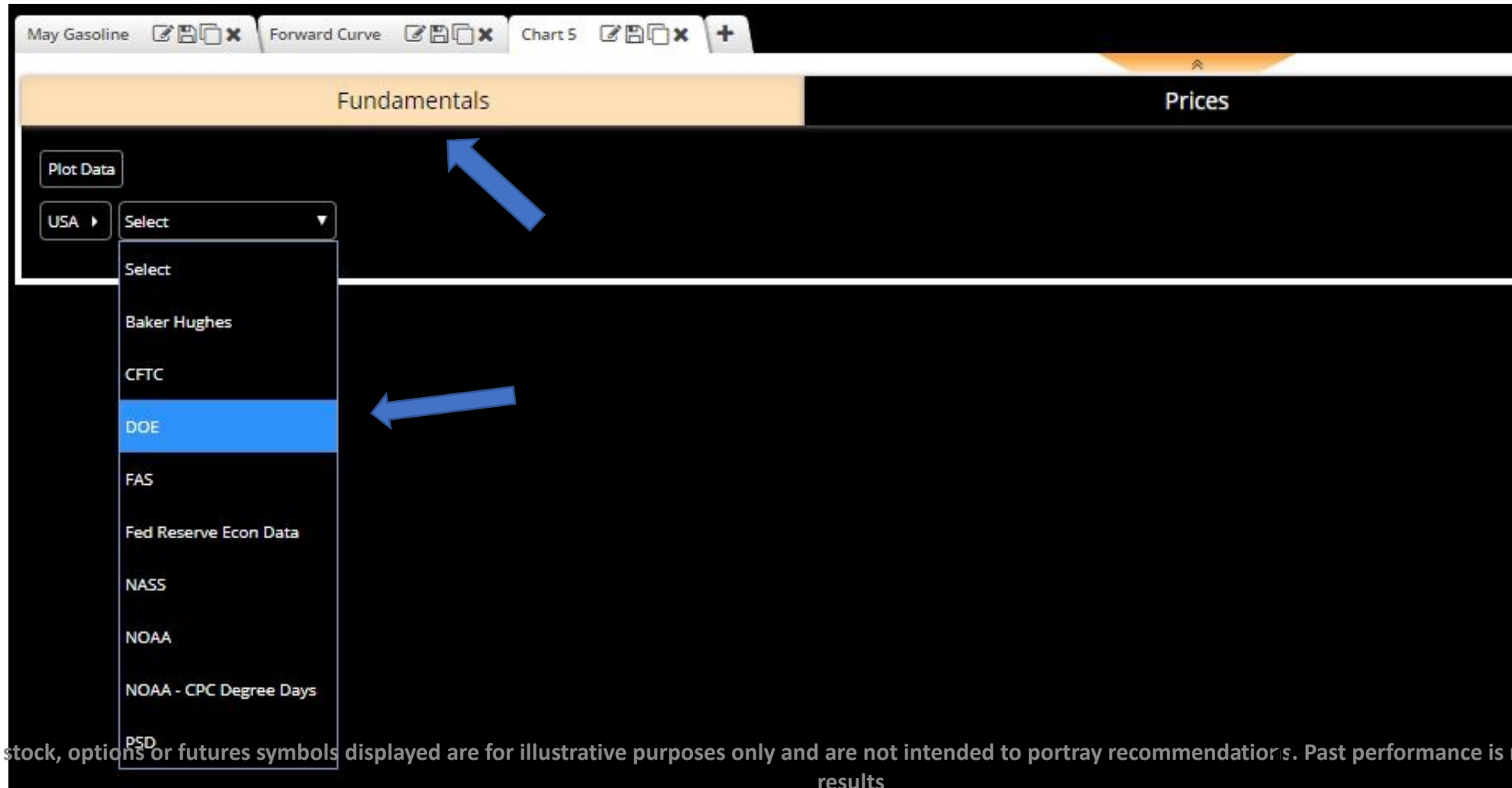


We can now compare the change in the level and structure of the forward curves

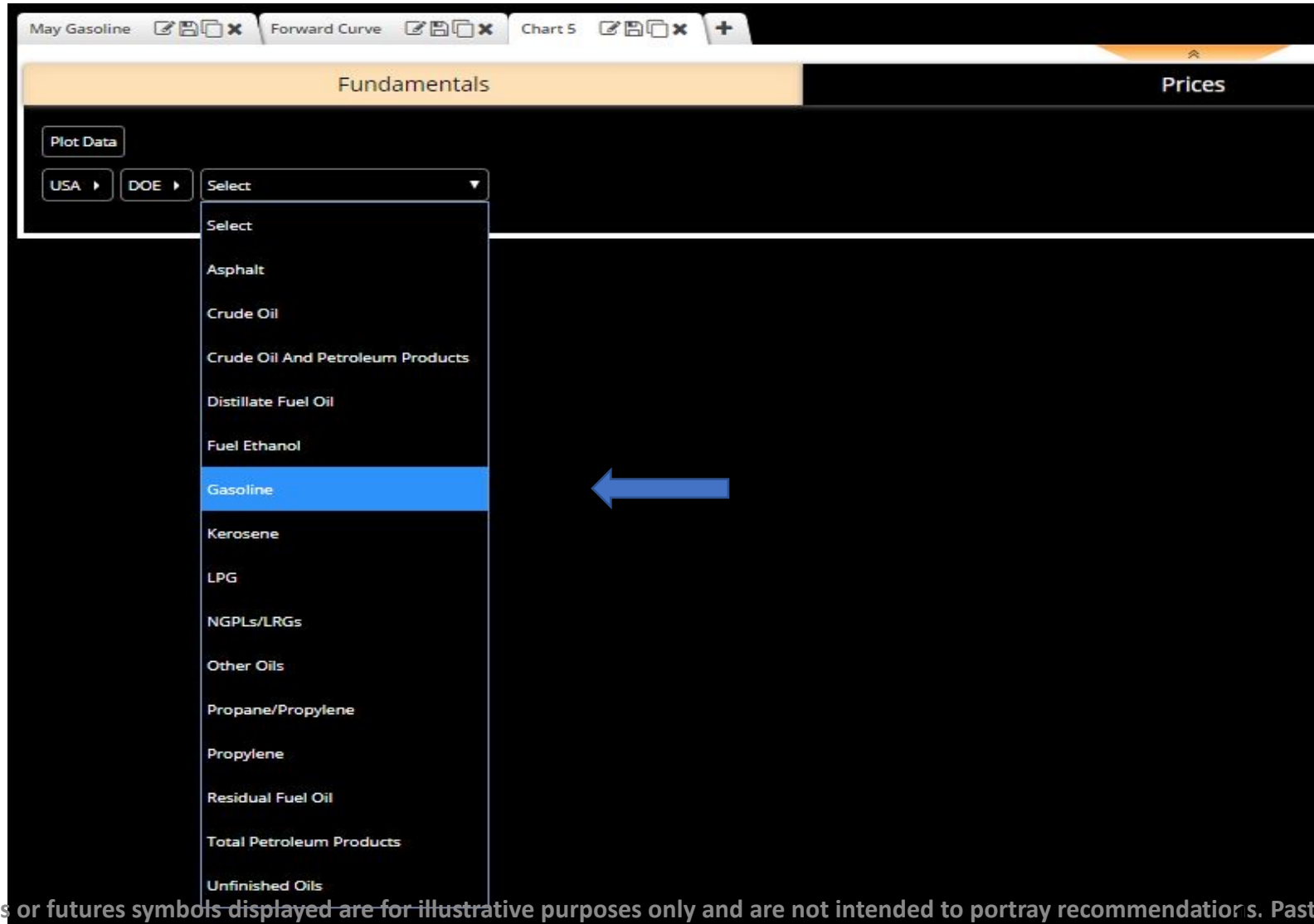


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We now consider Fundamental data as they provide insights to price behavior. We click on the Fundamentals bar and use the dropdown to retrieve DOE (Department of Energy) data.

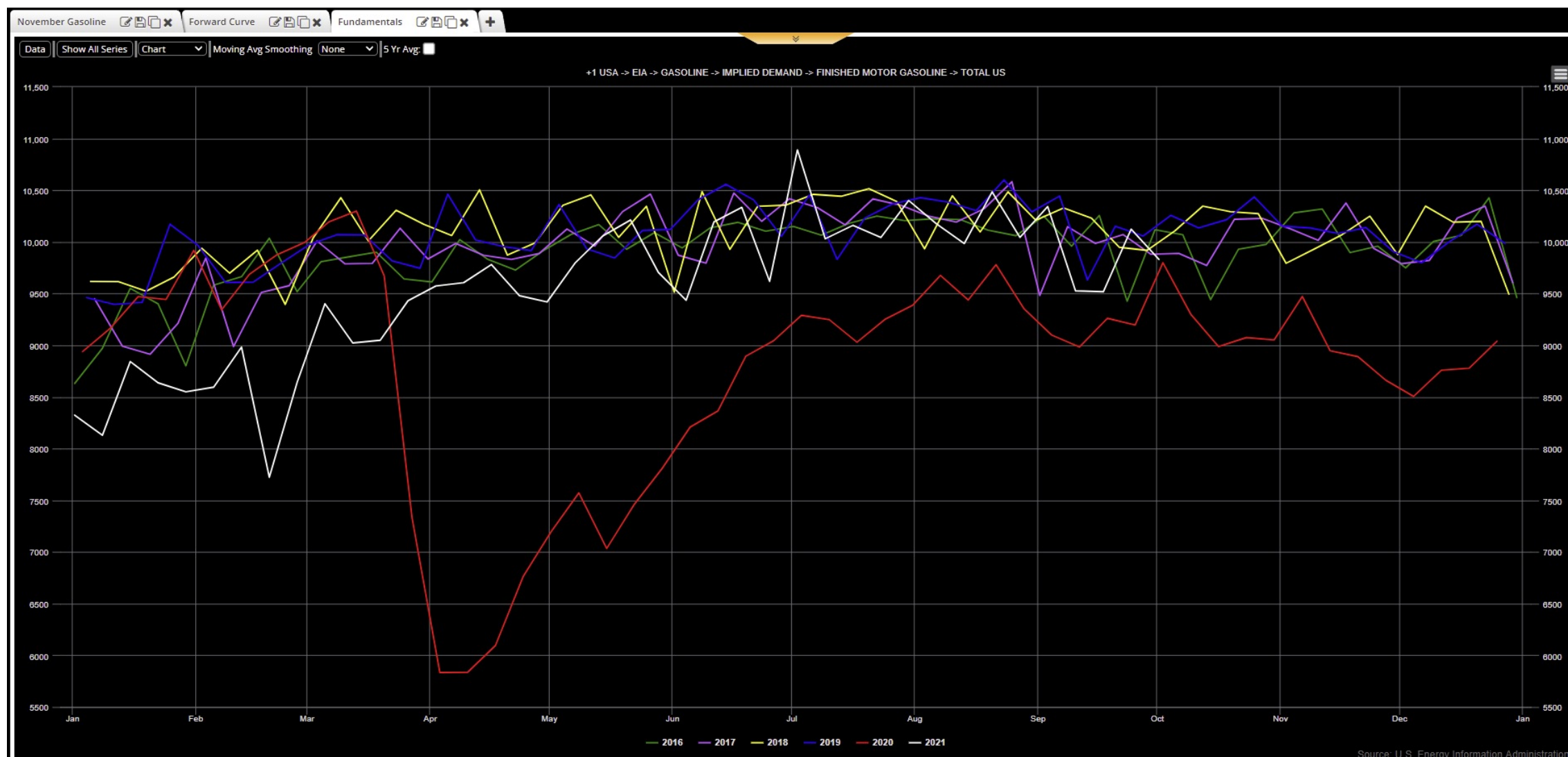


After clicking on DOE we retrieve Gasoline data from the DOE

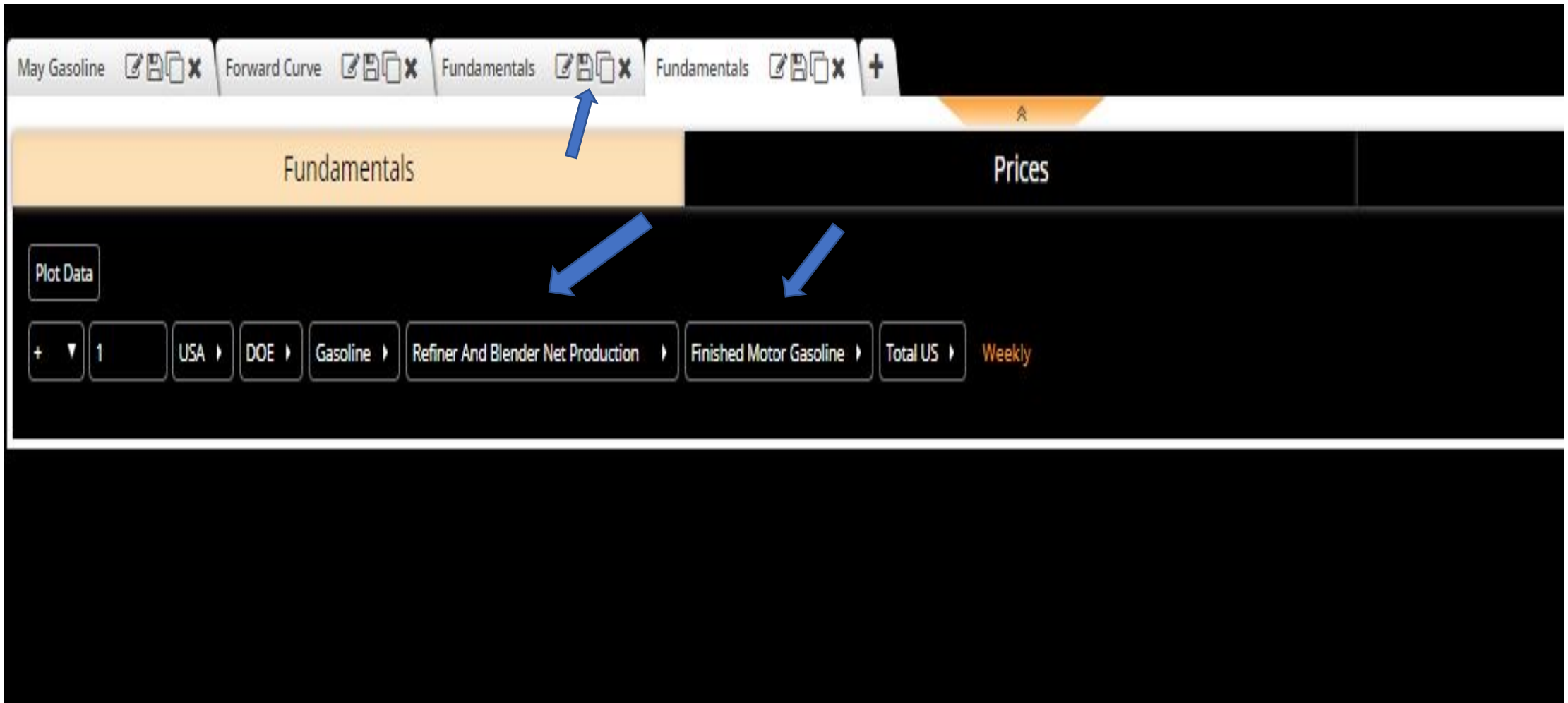


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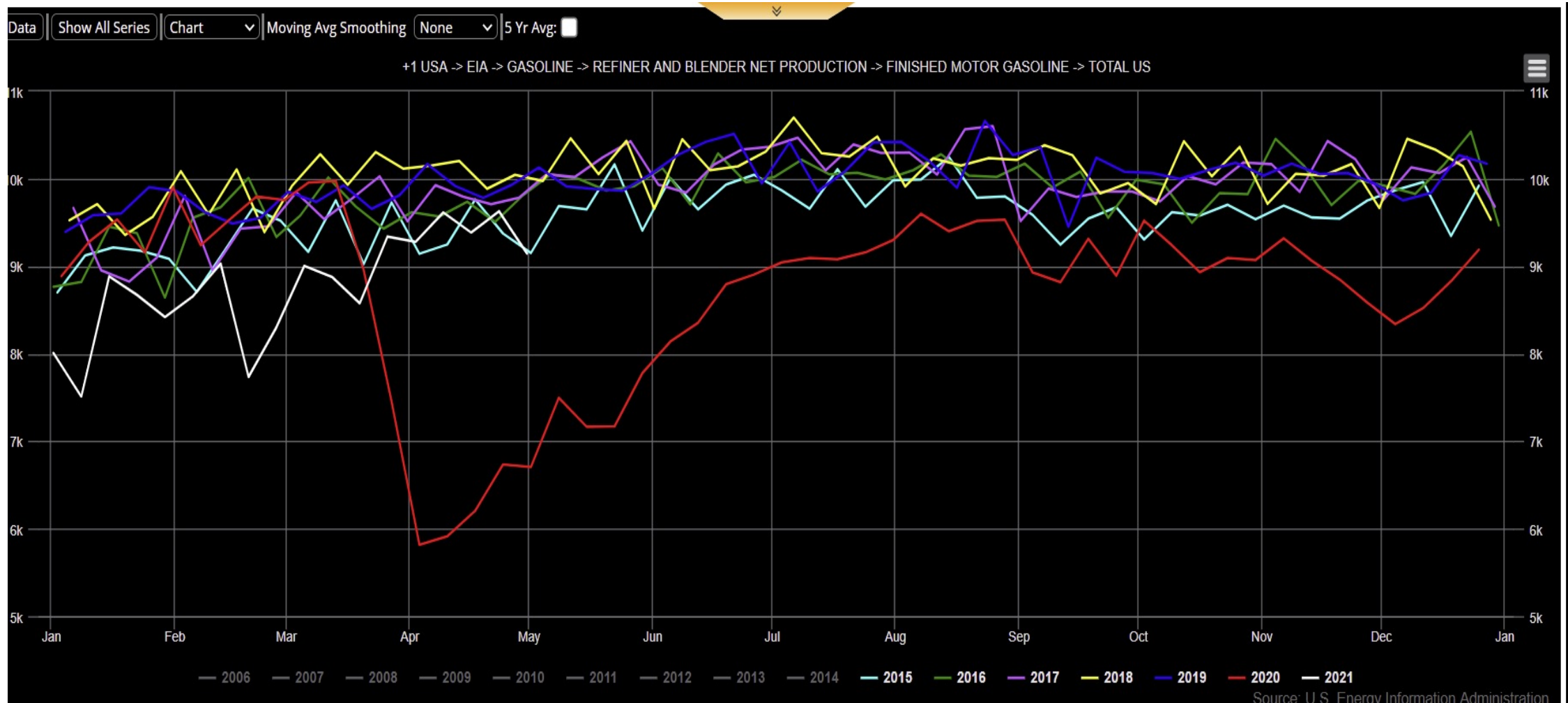
We then choose Implied Demand for Gasoline and click the Plot Data button



We then click on the Duplicate icon, and change from Implied Demand to Net Production for Finished Motor Gasoline.



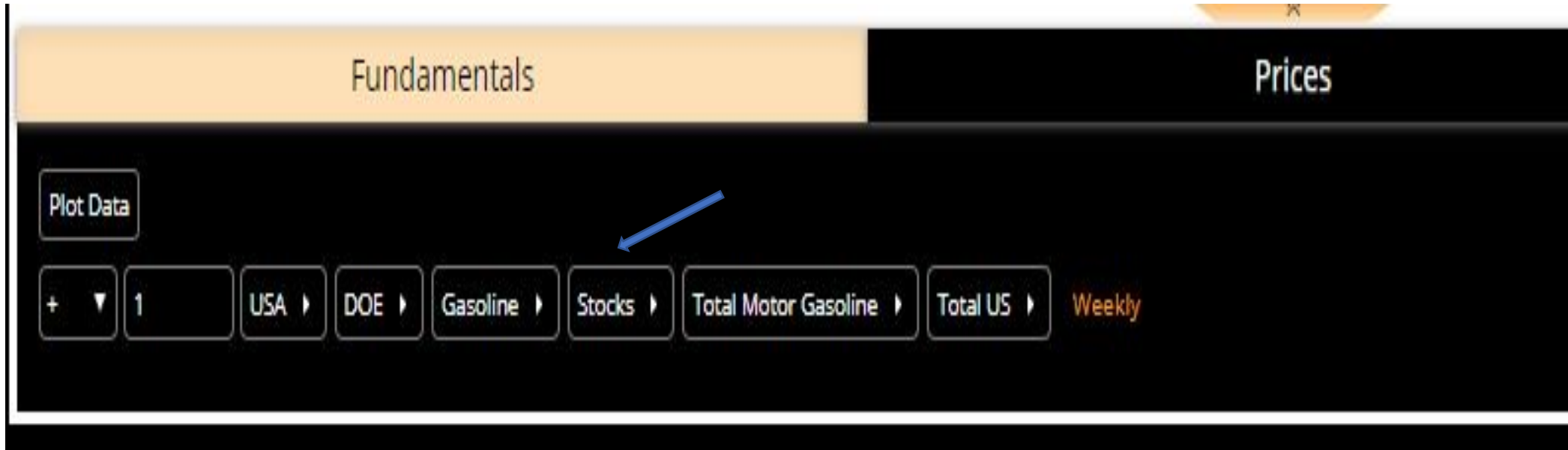
Clicking on the Plot Data button brings up the year-on-year chart of Gasoline Production



Source: EIA

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We replicate the Production chart but change retrieve Gasline Stocks



Year-on-year plot of Gasoline stocks in storage



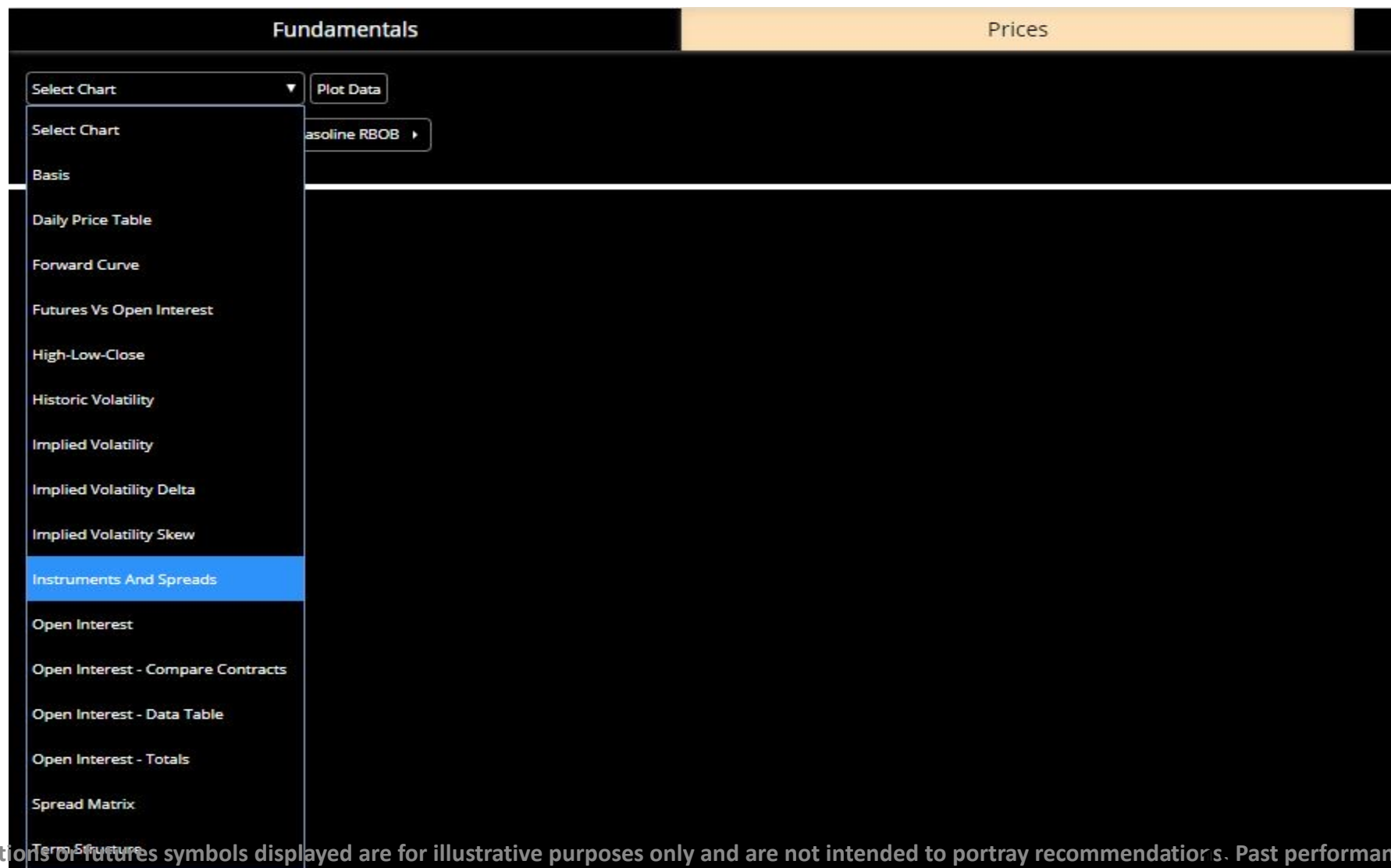
Source: EIA

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We now switch back to NYMEX Gasoline RBOB prices



Using the dropdown Select Chart we again choose Instruments and Spreads



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This time we change from the default of November to December



By clicking on the Plot Data button we retrieve the year-on-year chart of the NYMEX December RBOB Gasoline prices



Source: CME

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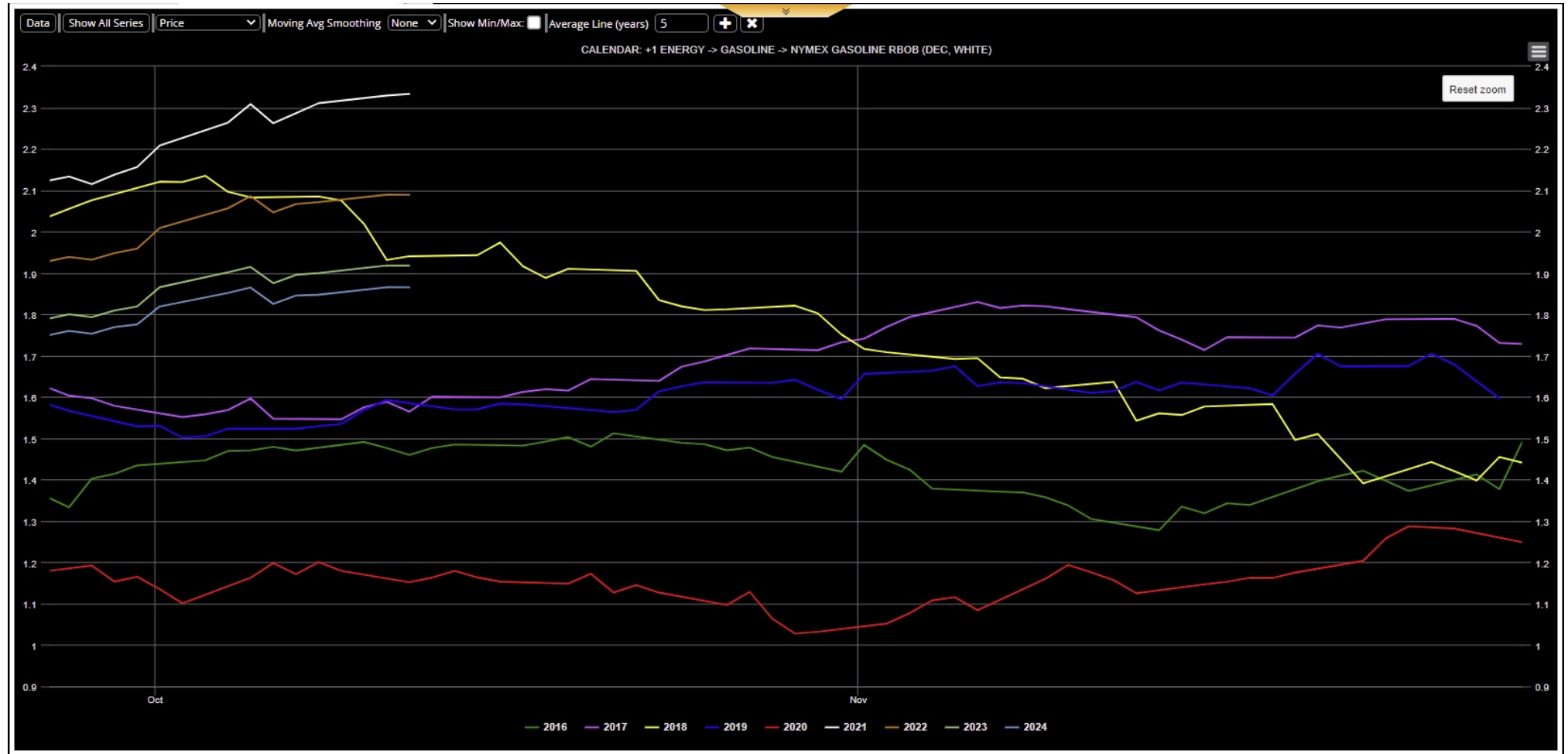
We can zoom in to a portion of the chart by left clicking on the mouse and dragging it over the area of interest in the chart as shown by the blue shading



Source: CME

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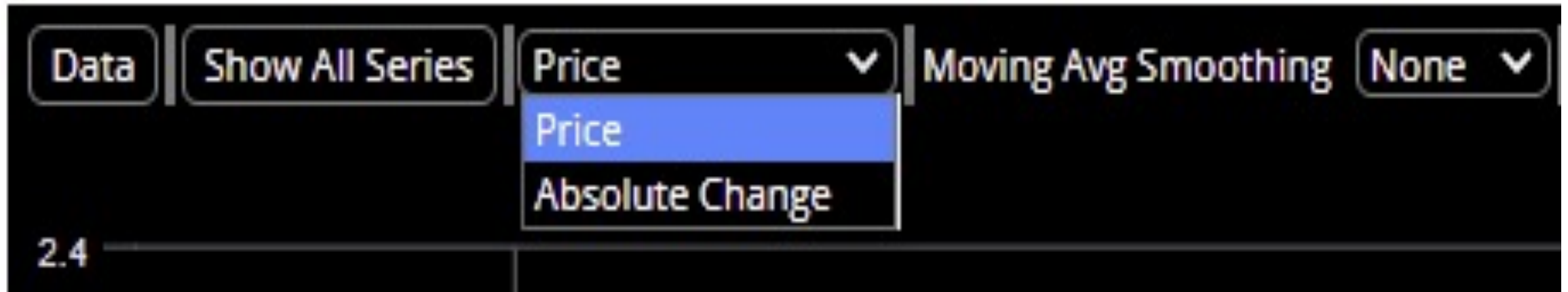
Releasing the mouse click shows the zoomed in area.



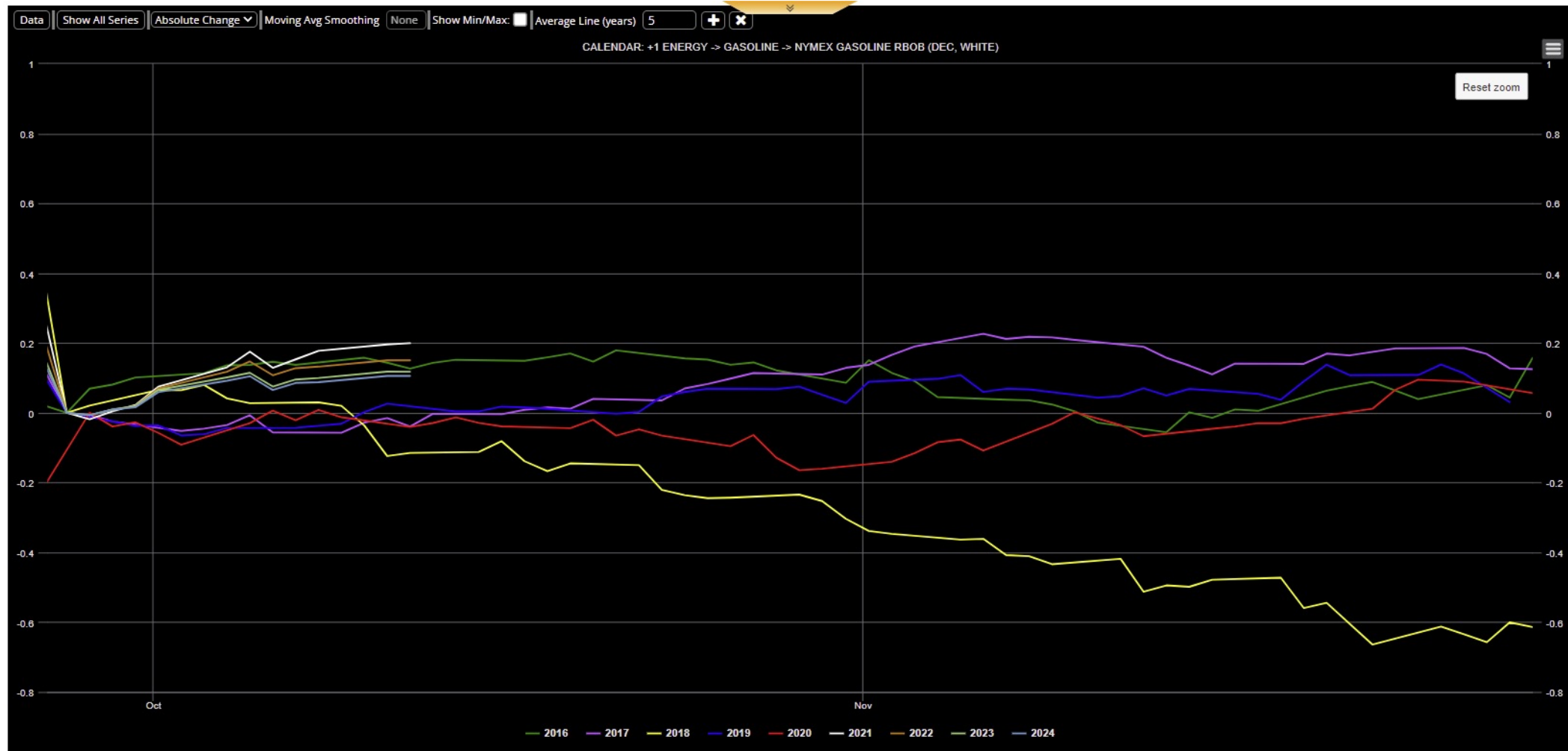
Source: CME

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Clicking on the dropdown of Price and choosing Absolute Change allows the chart to translate the plots to start at zero and show the change.



The change in the December RBOB Gasoline price into expiration is shown.



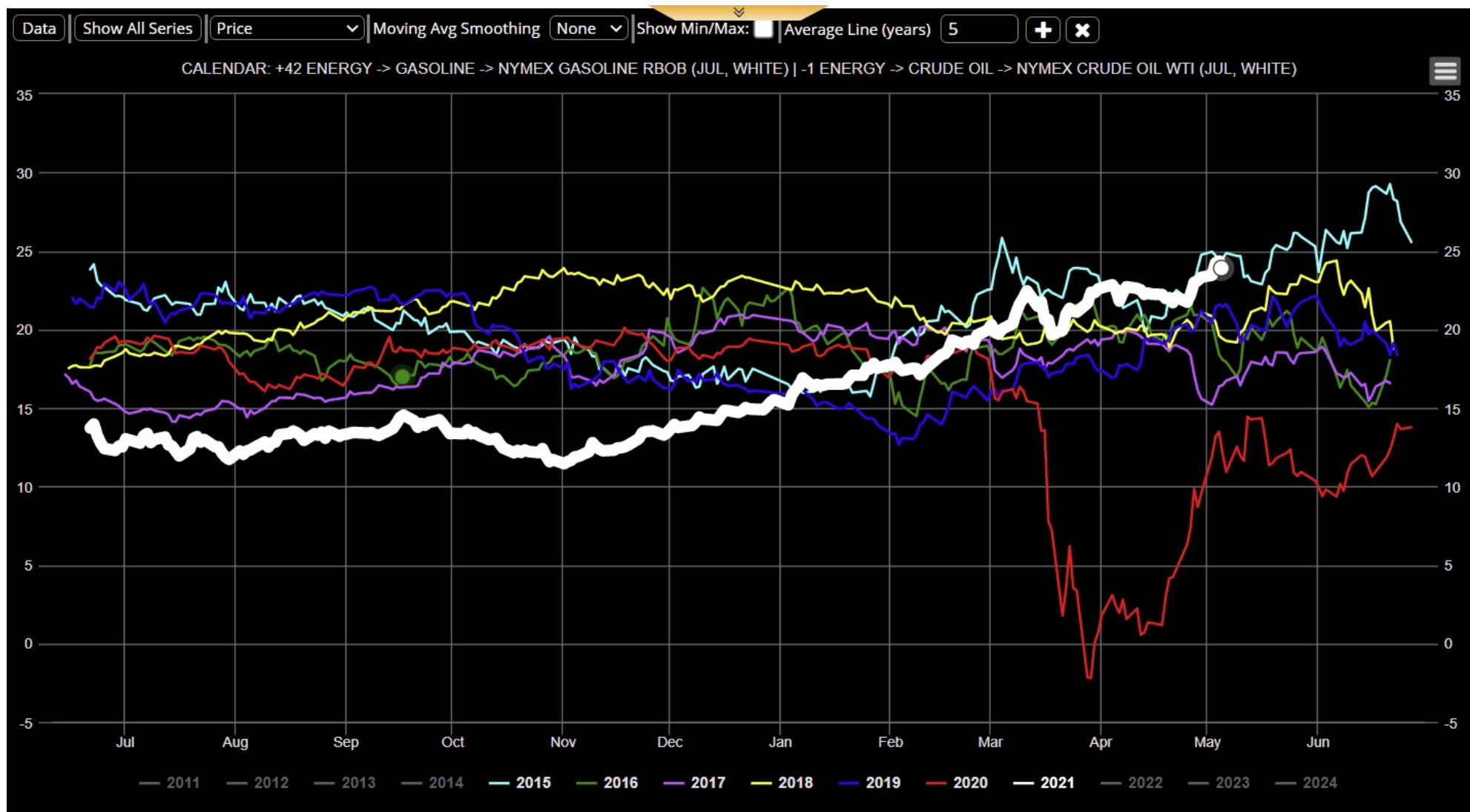
Source: CME

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Clicking on the + box adds another position or “leg” and an RBOB Gasoline crack spread is constructed by retrieving WTI Crude and multiplying by 42 the Gasoline to convert to dollars per barrel.

The screenshot shows a trading platform interface with three main tabs: 'Fundamentals', 'Prices' (highlighted in orange), and 'Analysis'. Below the tabs, there are two main sections: 'Instruments And Spreads' and 'Plot Data'. Under 'Instruments And Spreads', there is a 'Calendar' dropdown menu. Below the calendar, there are two rows of instrument selection. The first row is for 'NYMEX Gasoline RBOB' and the second row is for 'NYMEX Crude Oil WTI'. Each row has a 'Currency' dropdown, an 'Invert' checkbox, a '+' or '-' button, a multiplier input field, and a 'White Months' dropdown. A blue arrow points to the '+' button in the first row, and another blue arrow points to the '-' button in the second row. A third blue arrow points from the two rows to the 'Analysis' section on the right, which contains buttons for '+', 'x', 'JUL', and 'White Months'.

Clicking on the Plot Data button retrieves the December RBOB Gasoline crack spread chart.



Source: CME

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Adjusting the commodity choices to Heating Oil and Gasoline we construct the product price spread between July Heating Oil and July Gasoline.

The screenshot shows a trading interface with two instrument configurations. The top configuration is for Gasoline (NYMEX Gasoline RBOB) and the bottom is for Heating Oil (ULSD NY Harbor). Both are set to July and White Months. Blue arrows point to the 'Gasoline' and 'Heating Oil' dropdowns.

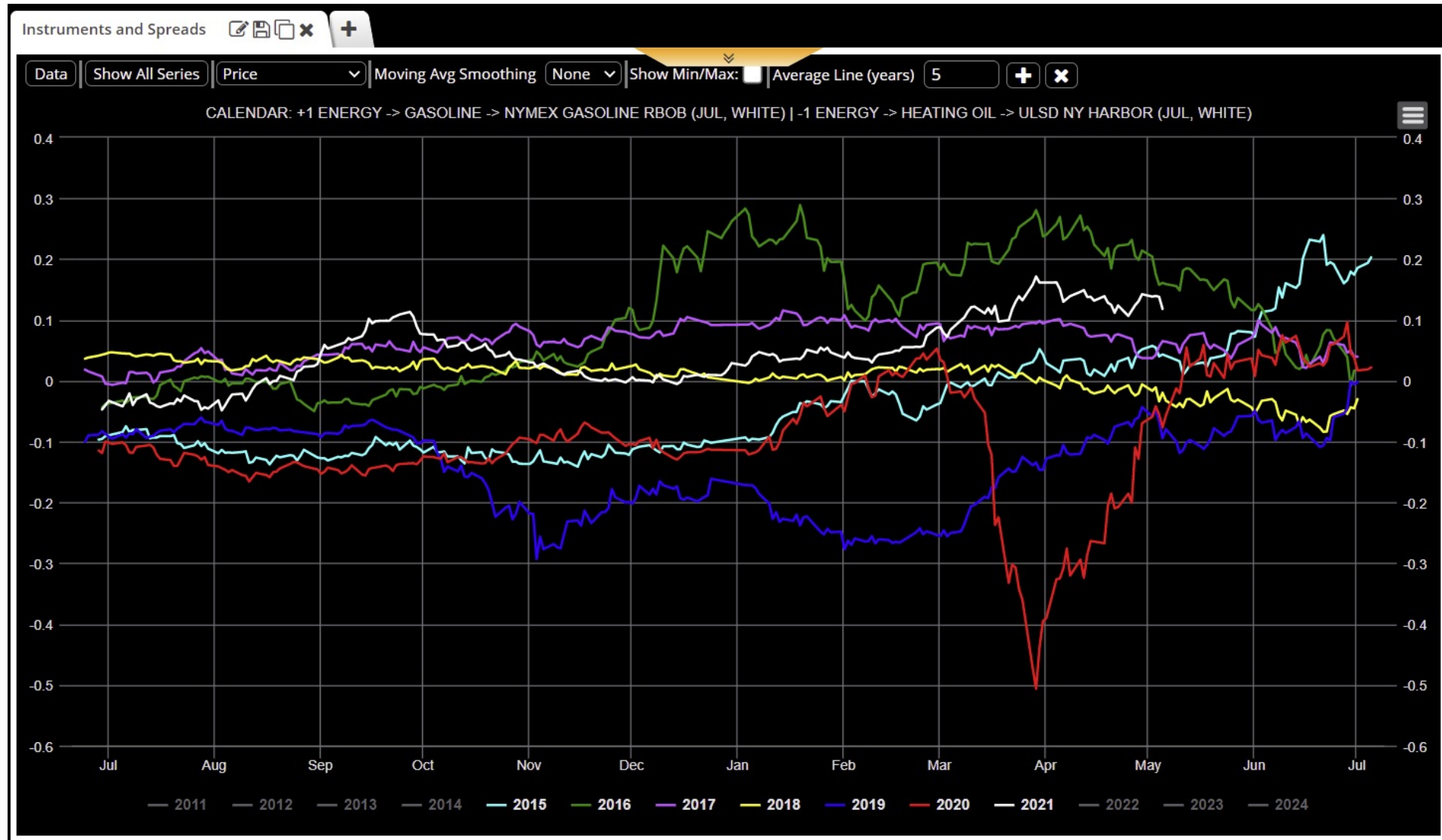
Top Configuration:

- Instruments And Spreads** (dropdown) **Plot Data** (button)
- Calendar** (dropdown)
- Currency** (dropdown) **Invert** (checkbox) **+** (dropdown) **1** (input)
- Energy** (dropdown) **Gasoline** (dropdown) **NYMEX Gasoline RBOB** (dropdown)
- +** (button) **x** (button) **JUL** (dropdown) **White Months** (dropdown)

Bottom Configuration:

- Currency** (dropdown) **Invert** (checkbox) **-** (dropdown) **1** (input)
- Energy** (dropdown) **Heating Oil** (dropdown) **ULSD NY Harbor** (dropdown)
- +** (button) **x** (button) **JUL** (dropdown) **White Months** (dropdown)

Clicking the Plot Data box retrieves the Heating Oil to Gasoline price spread showing how Heating Oil (Diesel Fuel) prices have dramatically increased relative to Gasoline.



Source: CME

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