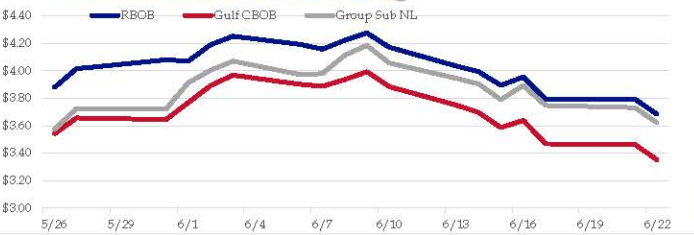


Gasoline

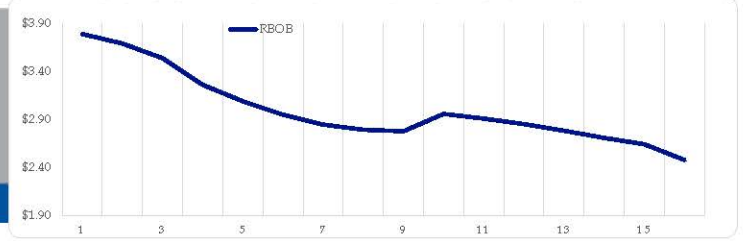
	RBOB	Change	Gulf CBOB	Change	Group Sub NL	Change	Gulf Basis	Group Basis	LA Basis
6/22	\$3.6825	-\$0.1120	\$3.3509	-\$0.1125	\$3.6203	-\$0.1119	\$ (0.3322)	\$ (0.0625)	\$ 0.2660
6/21	\$3.7945	\$0.0015	\$3.4634	-\$0.0051	\$3.7322	-\$0.0163	\$ (0.3312)	\$ (0.0623)	\$ 0.2655
6/17	\$3.7930	-\$0.1628	\$3.4685	-\$0.1699	\$3.7485	-\$0.1450	\$ (0.3245)	\$ (0.0445)	\$ 0.2705
6/16	\$3.9558	\$0.0616	\$3.6384	\$0.0519	\$3.8935	\$0.1029	\$ (0.3174)	\$ (0.0623)	\$ 0.2255
6/15	\$3.8942	-\$0.0996	\$3.5865	-\$0.1109	\$3.7907	-\$0.1134	\$ (0.3077)	\$ (0.1036)	\$ 0.2755
6/14	\$3.9938	-\$0.0415	\$3.6974	-\$0.0528	\$3.9040	-\$0.0415	\$ (0.2965)	\$ (0.0898)	\$ 0.3005
6/13	\$4.0353	-\$0.1369	\$3.7501	-\$0.1344	\$3.9455	-\$0.1119	\$ (0.2852)	\$ (0.0898)	\$ 0.3005
6/10	\$4.1722	-\$0.1040	\$3.8845	-\$0.1090	\$4.0574	-\$0.1278	\$ (0.2877)	\$ (0.1148)	\$ 0.3360

RBOB Technicals		
Indicator	Direction	Resistance
MACD	Neutral	5.0000 Never say Never
Stochastics	Bearish	4.3260 Record High
RSI	Oversold	3.6432 June Low
ADX	Bearish	2.9867 April Low
Momentum	Bearish	
Bias:	Neutral	

Gasoline History



Gasoline Forward Curve

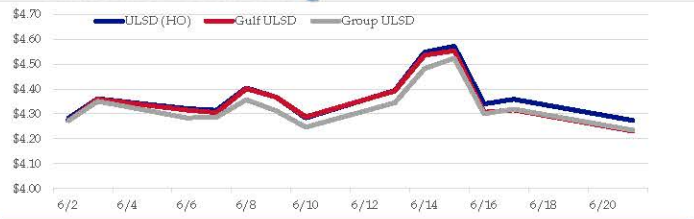


Diesel

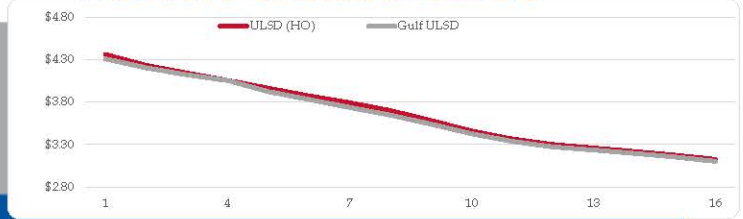
	ULSD (HO)	Change	Gulf ULSD	Change	Group ULSD	Change	Gulf Basis	Group Basis	LA Basis
6/22	\$4.2734	-\$0.0850	\$4.2307	-\$0.0851	\$4.2343	-\$0.0845	\$ (0.0432)	\$ (0.0393)	\$ (0.0995)
6/21	\$4.3584	\$0.0186	\$4.3157	\$0.0093	\$4.3188	\$0.0186	\$ (0.0427)	\$ (0.0396)	\$ (0.1005)
6/17	\$4.3398	-\$0.2315	\$4.3064	-\$0.2467	\$4.3002	-\$0.2226	\$ (0.0335)	\$ (0.0396)	\$ (0.0755)
6/16	\$4.5713	\$0.0243	\$4.5531	\$0.0176	\$4.5228	\$0.0407	\$ (0.0183)	\$ (0.0485)	\$ (0.0755)
6/15	\$4.5470	\$0.1530	\$4.5354	\$0.1437	\$4.4821	\$0.1379	\$ (0.0116)	\$ (0.0649)	\$ (0.0605)
6/14	\$4.3940	\$0.1106	\$4.3918	\$0.1040	\$4.3442	\$0.0978	\$ (0.0023)	\$ (0.0498)	\$ (0.0505)
6/13	\$4.2834	-\$0.0833	\$4.2878	-\$0.0793	\$4.2464	-\$0.0658	\$ 0.0043	\$ (0.0370)	\$ (0.0505)
6/10	\$4.3667	-\$0.0370	\$4.3670	-\$0.0340	\$4.3122	-\$0.0443			

HO Technicals		
Indicator	Direction	Resistance
MACD	Neutral	4.6709 March High
Stochastics	Bearish	4.6444 June High
RSI	Neutral	3.9600 Trend Line
ADX	Bullish Trend	3.1600 March Low
Momentum	Neutral	
Bias:	Neutral	

Diesel History



Diesel Forward Curve



Crude

	WTI	Change	Brent	Change
6/22	\$102.77	-\$7.88	\$108.66	-\$5.99
6/21	\$110.65	\$1.09	\$114.65	\$0.52
6/17	\$109.56	-\$8.03	\$114.13	\$1.01
6/16	\$117.59	\$2.28	\$113.12	-\$6.69
6/15	\$115.31	-\$3.62	\$119.81	\$1.30
CPL Space	Line 1 -0.0095	-\$0.0045	Line 2 -0.0085	-\$0.0003

Refinery Margins

	Vs WTI				Vs Brent				Group / WCS
	Gulf Gas	Gulf Diesel	3/2/1	5/3/2	Gulf Gas	Gulf Diesel	3/2/1	5/3/2	
6/22	\$34.81	\$70.61	\$46.74	\$49.13	\$30.81	\$66.61	\$42.74	\$45.13	55.40
6/21	\$36.12	\$71.31	\$47.85	\$50.19	\$31.55	\$66.74	\$43.28	\$45.62	55.60
6/17	\$35.22	\$73.64	\$48.03	\$50.59	\$39.69	\$78.11	\$52.50	\$55.06	54.75
6/15	\$35.32	\$75.18	\$48.61	\$51.26	\$30.82	\$70.68	\$44.11	\$46.76	53.58

RINs and Price Drivers

Current Year Biodiesel RINs			Current Year Ethanol RINs		
	Settle	Net Change		Settle	Net Change
	1.5350	-0.053		1.4450	-0.047
Price Drivers			Price Drivers		
Soybeans	1681.00	-13.750	Ethanol	2.16	0.000
Soybean Oil	73.37	-2.380	Com	760.75	0.750
BOHO Spread	1.144		Com Crush	-0.557	
Soy Crush	799.75		RVO Estimate		
			Per Gallon	\$ 0.1740	\$ (0.0050)
			Per Barrel	\$ 7.31	\$ (0.21)

Economic Indicators

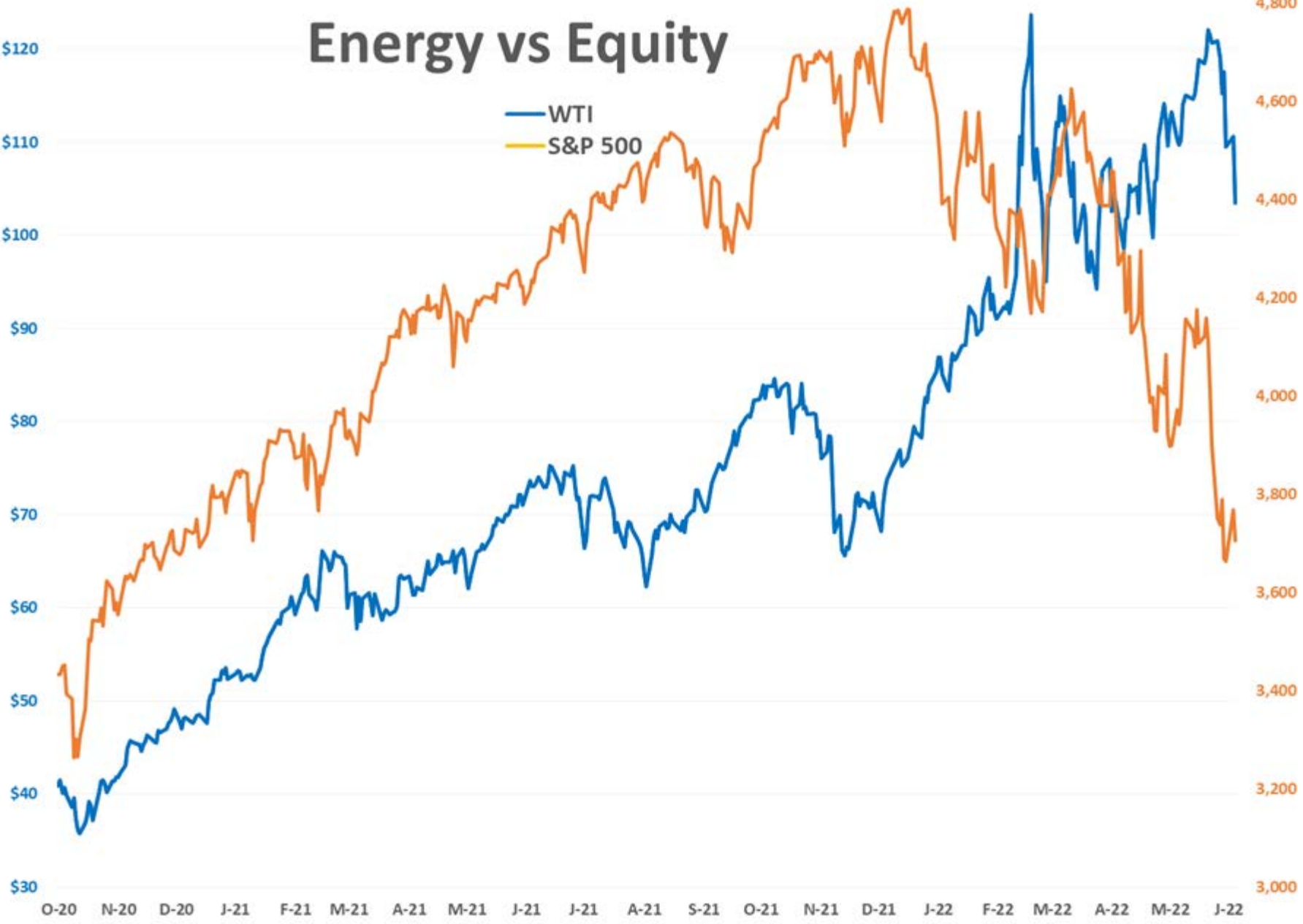
Commodity Futures

	Settle	Change		Settle	Change
S&P 500 Futures	3,706	-61.50	NatGas	6.808	
DJIA	30,530	641.47	Gold	1,835	7.9
EUR/USD	1.0550	-0.0011	Silver	21.75	-0.2
USD Index	104.21	0.06	Copper	4.04	-0.152
US 10 YR YIELD	3.31%	0.06	FCOJ	170.80	2.05
US 2 YR YIELD	3.21%	0.04	Wheat	975.25	16.00
Oil Volatility Index	49.19	-2.63	Butane	1.449	
S&P Volatility Index (VIX)	31.03	-0.84	Propane	1.216	
Nikkei 225 Index	26,500	-415.00	Bitcoin	38,380	

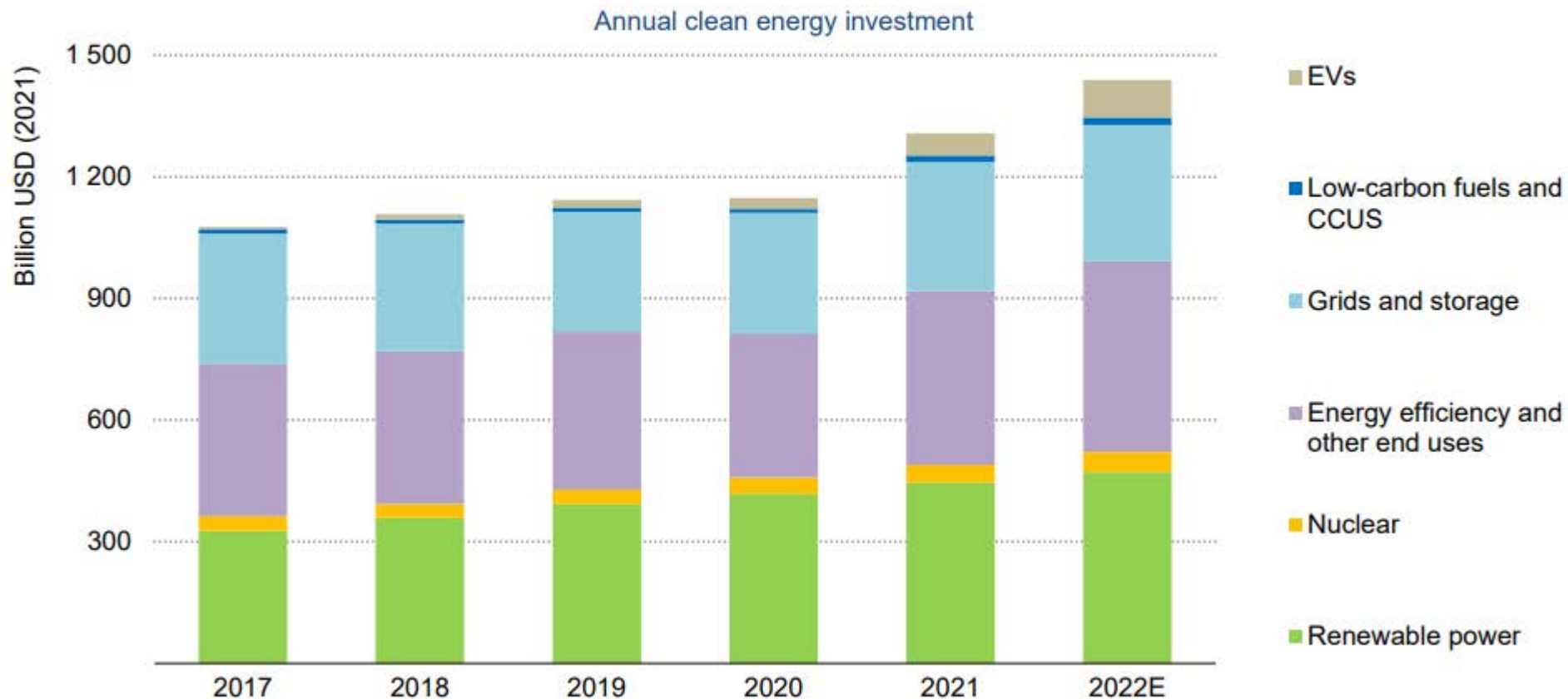
*SOURCES: Nymex, CBOT, NYSE, ICE, NASDAQ, CME Group, CBOE. Prices delayed.

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Energy vs Equity

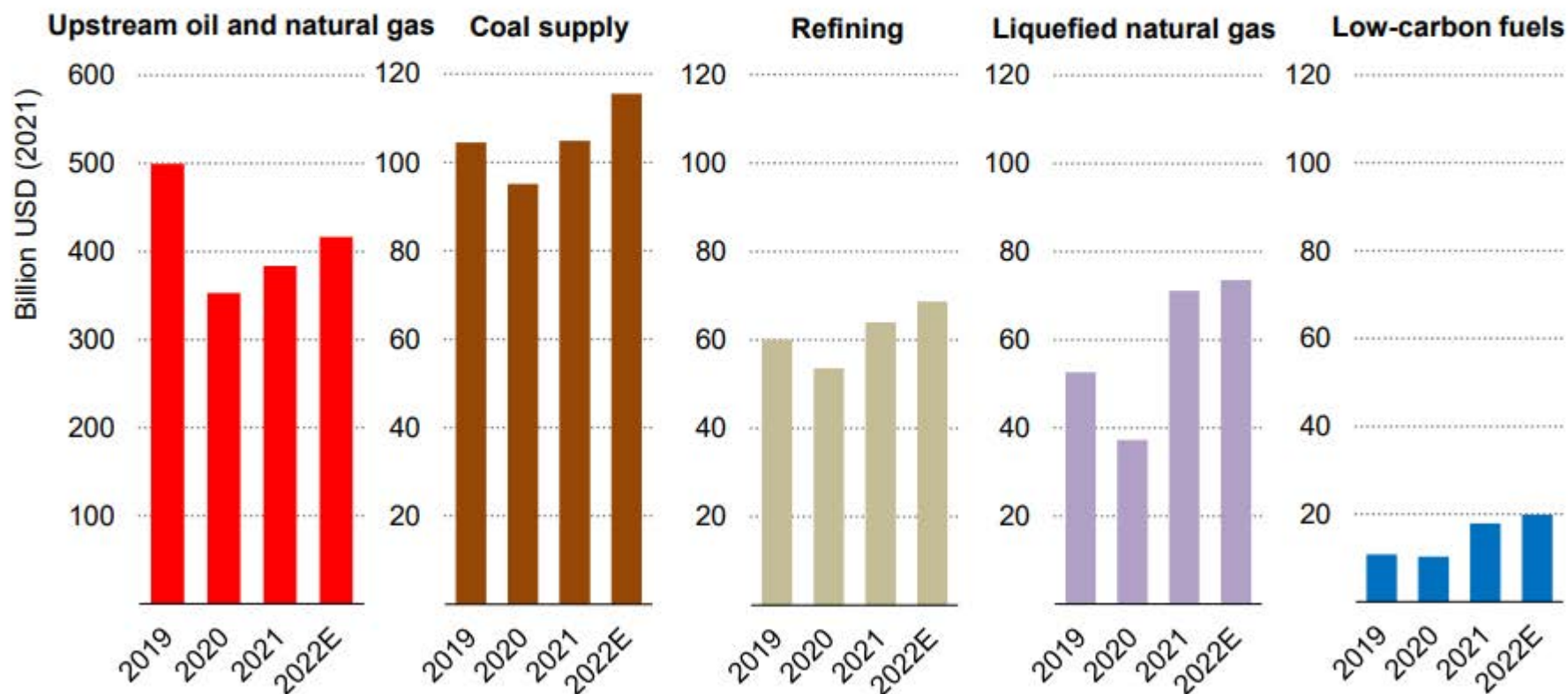


After remaining flat for several years, global clean energy spending is finally ramping up



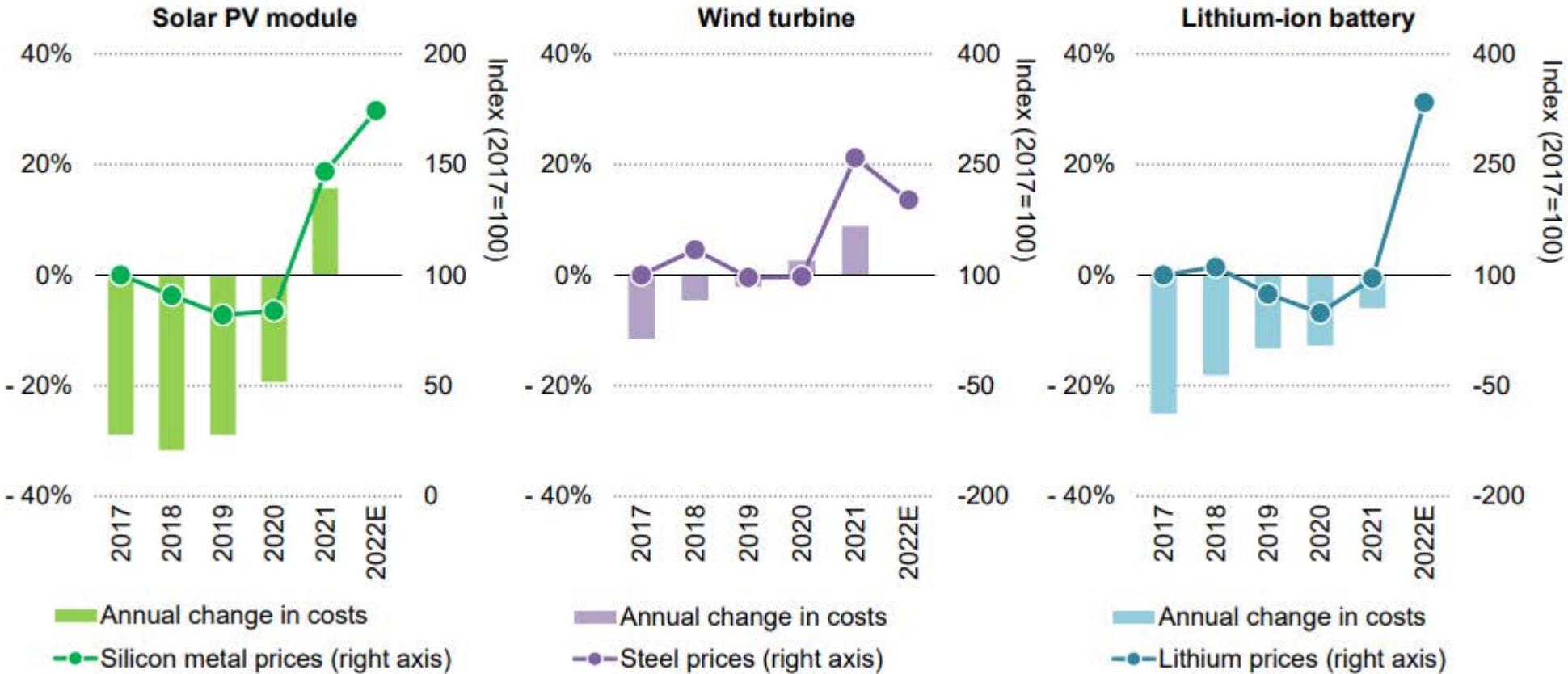
The energy crisis and Russia's invasion of Ukraine are spurring new investment in fuels, including an expansion of coal supply in emerging Asian economies

Change in fuel supply investment, 2019-2022E



Critical minerals threaten to reverse the trend of declining costs for clean energy technologies

Technology cost trends and key material prices for a solar PV module, wind turbine and lithium-ion battery, 2017-2022



Investment in new refineries and upgrades increased by 30% in 2021, but a near-record level of refining capacity was retired

Investment in oil refineries (greenfield and upgrades) and annual capacity addition/retirement by region

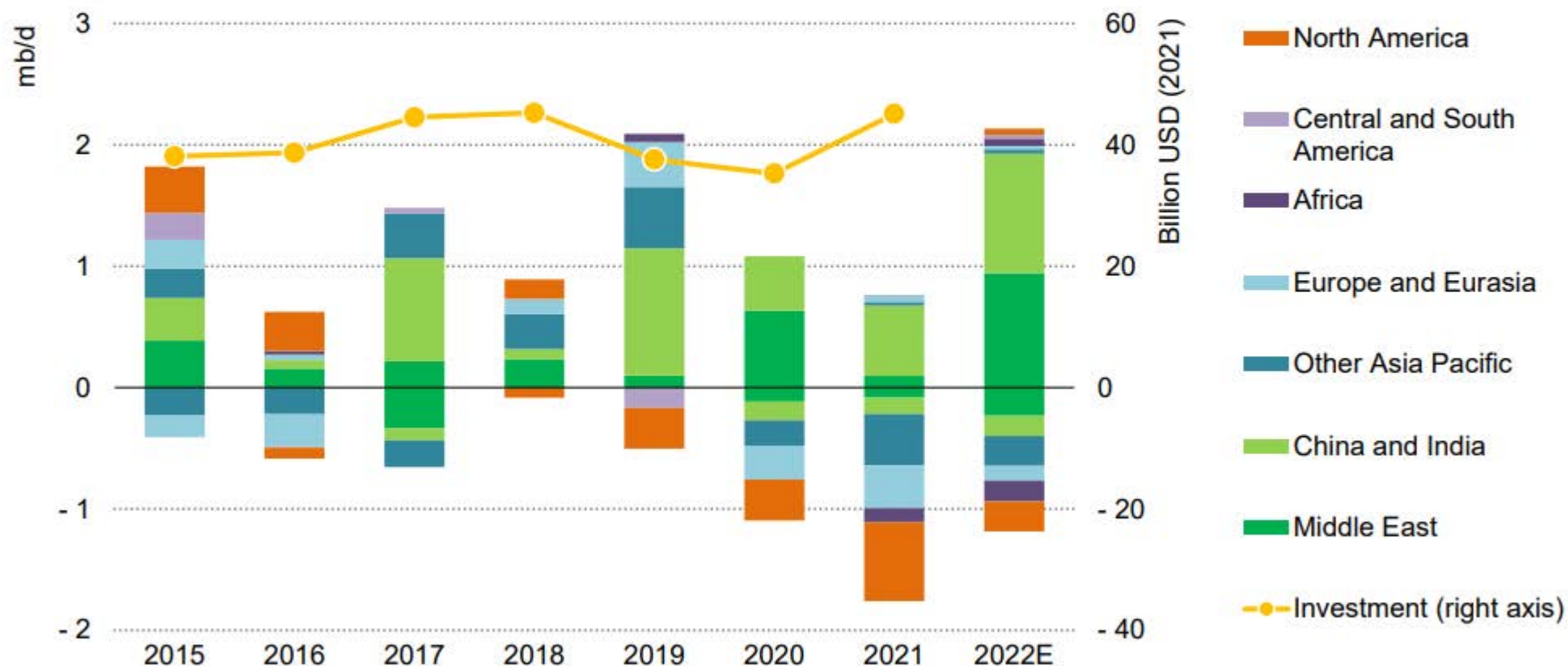
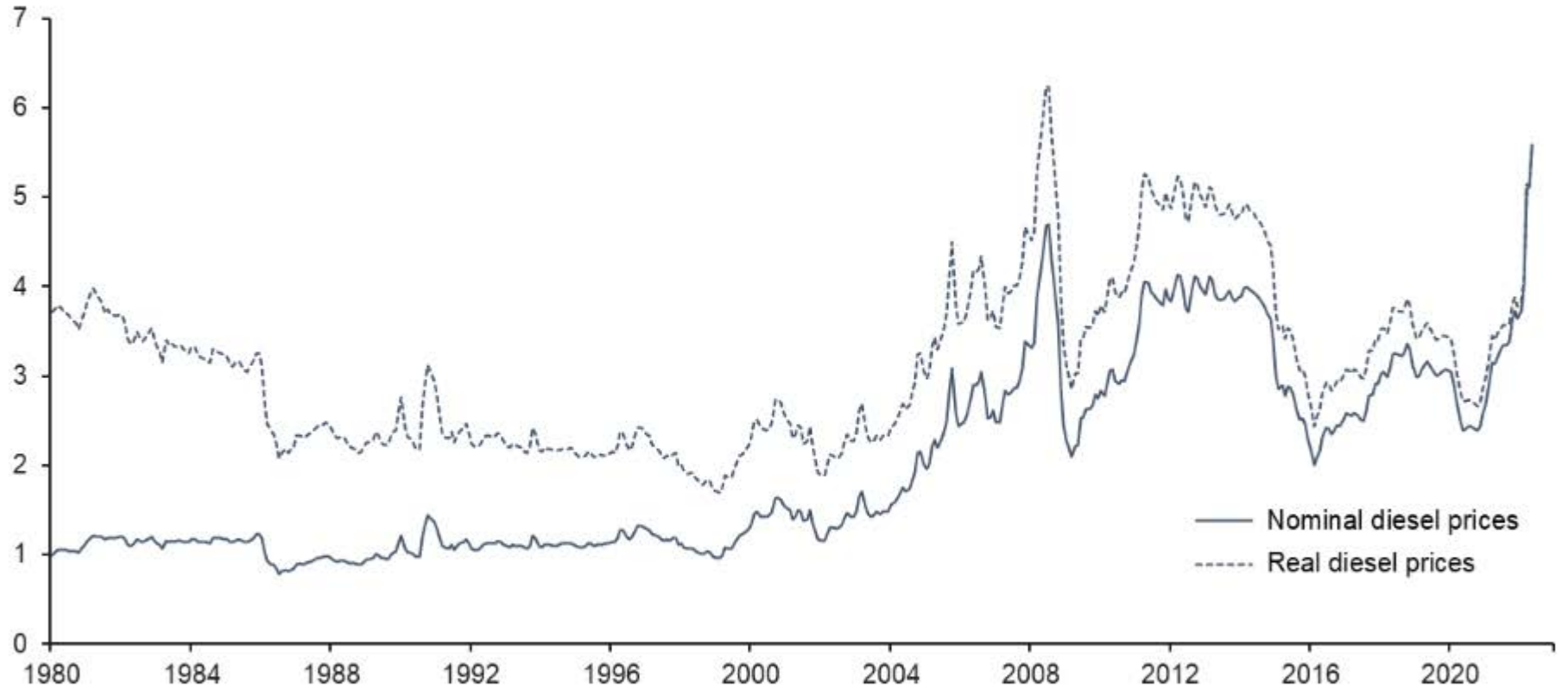


Chart 2

Diesel Prices Greatly Exceed Record Levels in Nominal Terms

Dollars per gallon



NOTES: Prices are monthly national averages for on-highway diesel fuel. Real (inflation-adjusted) prices are calculated with June 2022 Consumer Price Index data.

SOURCES: Energy Information Administration; Bureau of Labor Statistics.

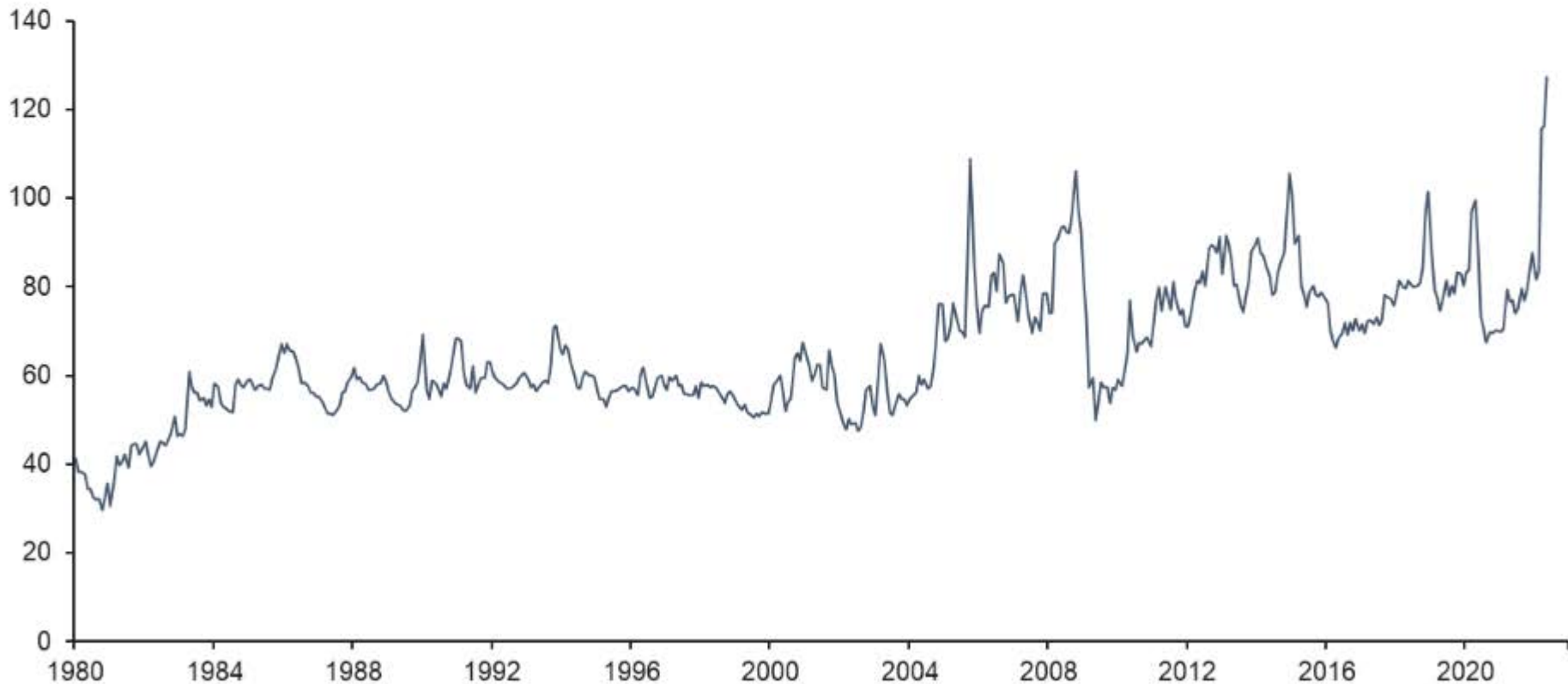
Problematic Price Premium for Diesel

Distillates—the class of refined products that includes diesel, home heating oil and jet fuels—are in short supply globally and subject to surging prices. U.S. diesel prices have jumped 53 percent since December, while gasoline is up 34 percent. The main culprits: a reduction in U.S. refining capacity since the COVID-19 downturn in 2020, and the global scramble since February to replace sanctioned Russian diesel exports and crude oil (which renders more distillate than other types of crude oil).

The spread between on-road diesel and WTI prices has never been higher (*Chart 3*). At the current spread, diesel would average \$7 per gallon nationally—well above the \$5.57 average in May 2022—if WTI were to rise to \$169 per barrel, the inflation-adjusted peak in 2008.

Chart 3
Price Difference Between Crude Oil, Diesel Has Never Been Higher

June 2022 dollars per barrel



NOTE: Prices are calculated using monthly national averages for on-highway diesel fuel, the monthly average cost of imported crude oil and June 2022 Consumer Price Index data.

SOURCES: Energy Information Administration; Bureau of Labor Statistics.

Fuel Prices Not the Only Inflationary Pressure

The additional fuel expenditures might not be a problem if income growth were commensurate. However, wages have failed to keep pace with inflation since second quarter 2020. As a result, real earnings have declined at a pace not seen since 1979–81 (Chart 4).

Chart 4
Real Earnings Decline amid High Inflation

1982–84 dollars per week



NOTE: Data are median usual weekly earnings for full-time wage and salary workers, and 1982–84 Consumer Price Index data for All Urban Consumers-adjusted dollars.

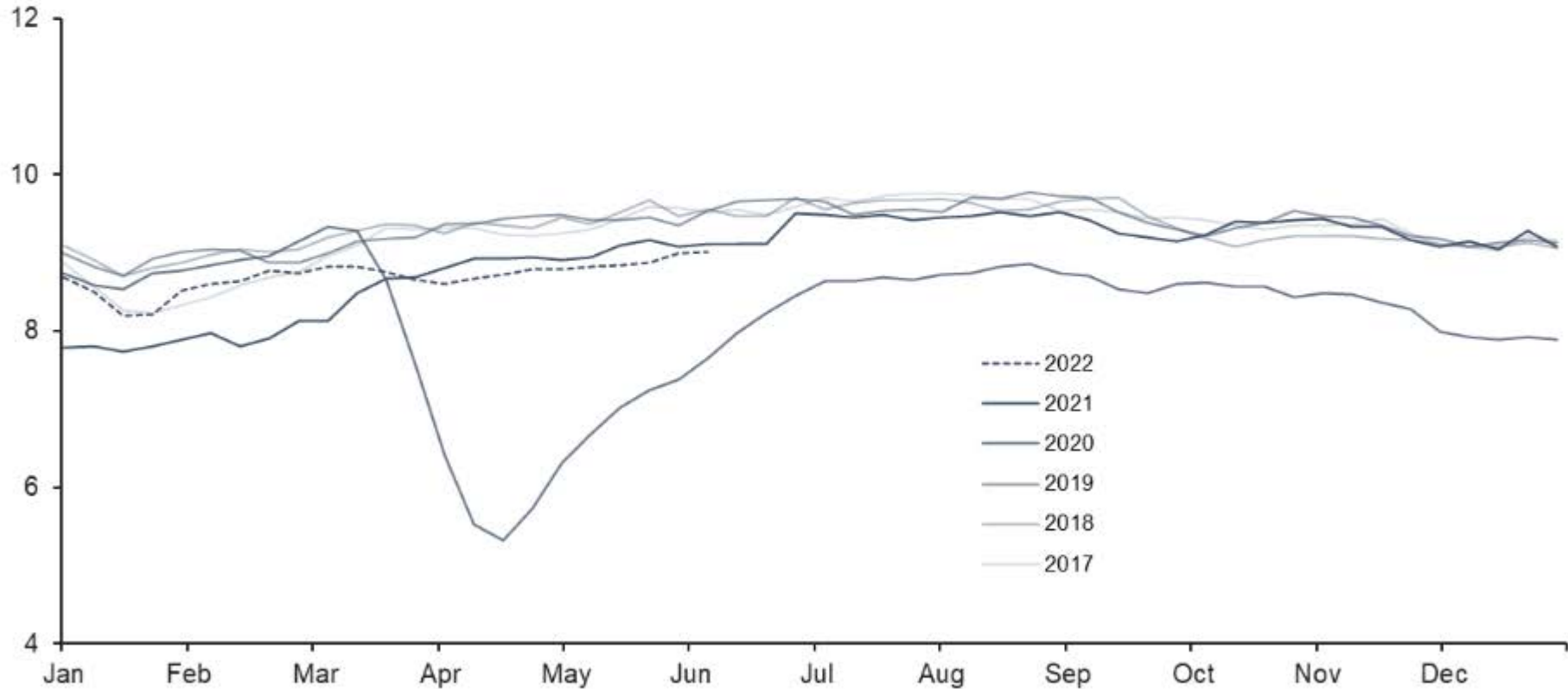
SOURCE: Bureau of Labor Statistics.

U.S. Fuel Consumption Bending, Not Breaking

Still, U.S. fuel consumption has shown resilience. There has been no abrupt drop at today's elevated prices. Gasoline demand has so far only come in below seasonal norms, while diesel consumption has trended lower after a strong start earlier in the year (*Charts 5, 6*).

Chart 5
Recent U.S. Gasoline Consumption Trails Pre-COVID-19 Levels

Million barrels per day



NOTE: Data are the weekly product supplied of motor gasoline, based on a four-week rolling average. COVID-19 emerged in the U.S. in late February 2020.

SOURCE: Energy Information Administration.