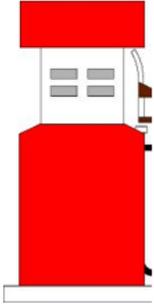


# Gateway FS



## Energy Market Update, May 1, 2024 NYMEX Prices

| Product   | Month  | Close  | Wk. Change |
|-----------|--------|--------|------------|
| Crude Oil | Jun 24 | 79.00  | -3.81      |
| RBOB Gas  | Jun 24 | 2.5774 | -0.1569    |
| NYH ULSD  | Jun 24 | 2.4519 | -0.0980    |
| Nat. Gas  | Jun 24 | 1.932  | +0.279     |

### Market Comments:

**Market Comments: Petroleum futures are soft this morning.**

Energy markets are taking a weaker tone this morning, as crude oil is once again knocking on the door of \$80. The trade appears to remain concerned about U.S. inflation. Recent economic data further dented hopes that the Federal Reserve could start cutting interest rates anytime soon.

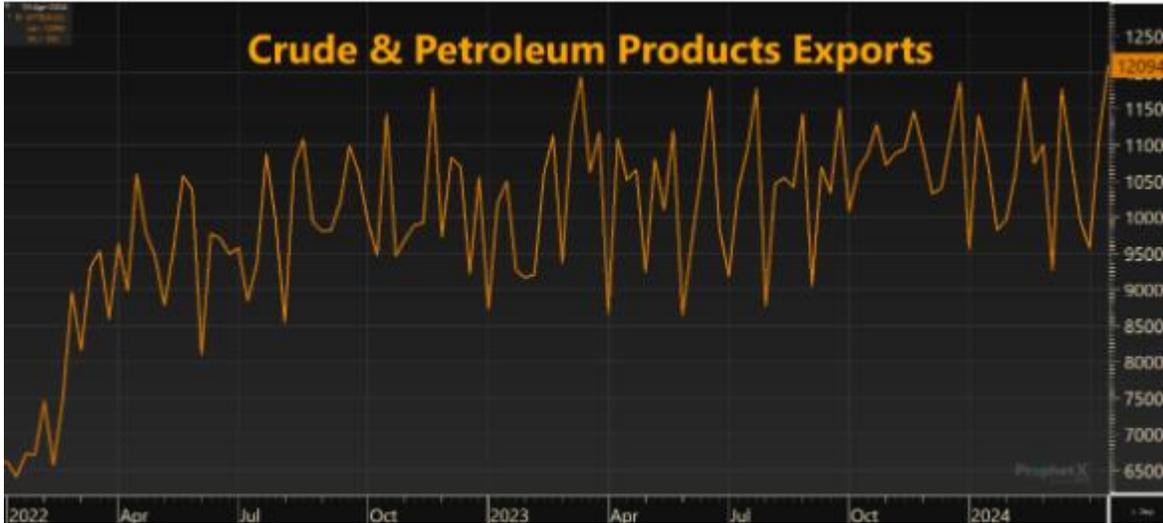
American investors have continued buying oil companies' stocks even though most European fund managers have shunned them.

USDA weekly crop progress report pegged U.S. corn planting at 27 percent complete vs. 12 percent last week. Soybean planted was at 18 percent complete vs. 8 percent last week.



- Looking at historical basis values current levels are in line with values between 2017-2021 for this time of year.
- Looking back at 2022-2023, basis values were elevated vs. current levels.
- We are in the time window when basis values gain some positive momentum due to demand from the agriculture sector for groundwork and planting.
- Some of the basis values could be stifled by the wet weather forecast, which has hindered planting in some areas and prevented a mad rush.

|         | Crude                    |       |            |            | Gasoline         |       |            |            | Distillate Fuel      |       |            |            |
|---------|--------------------------|-------|------------|------------|------------------|-------|------------|------------|----------------------|-------|------------|------------|
|         | Change                   | Total | 3-Yr. Avg. | 5-Yr. Avg. | Change           | Total | 3-Yr. Avg. | 5-Yr. Avg. | Change               | Total | 3-Yr. Avg. | 5-Yr. Avg. |
| EIA     | 7.3                      | 460.9 | 457        | 456        | 0.3              | 227.1 | 236        | 236        | -0.7                 | 115.9 | 146        | 148        |
| Est.    | -0.200/+5.200            |       |            |            | -3.600/+1.100    |       |            |            | -1.500/+0.400        |       |            |            |
| Propane | Total 56.9 0.2           |       |            |            | Midwest 14.0 0.6 |       |            |            | Gulf Coast 34.5 -1.2 |       |            |            |
| API     | Crude 4.91 Cushing 1.479 |       |            |            | Gasoline -1.5    |       |            |            | Distillates -2.19    |       |            |            |



## Exports achieve new high

- Energy petroleum exports set a new weekly record high of 12.1 million barrels per day last week.
- While weekly crude and diesel exports are currently above average, most of the push to a record high came from propane exports setting its record high of 2.34 million barrels per day, a weekly rise of over 750,000 b/d.
- After becoming a net exporter of petroleum products a few years ago, the U.S. continues to widen the gap between its imported volumes and export levels as shale discoveries have expanded the country's ability to crank out oil production at record levels.

**Why it matters:** If last week's propane exports number doesn't turn out to be a one-off, more export records will occur and added pressure could be put on inventories, likely elevating energy prices.

## U.S. Oil Rig Count

- Baker Hughes reported a drop in the oil rig count this week of five, with the natural gas rig count down one.
- Lower oil prices, along with higher interest rates that have the potential to slow petroleum demand, may lower the active rig count as investors weigh the current oil market and economic factors.

| U.S. Breakout Information | This Week | +/- | Last Week | +/- | Year Ago |
|---------------------------|-----------|-----|-----------|-----|----------|
| Gas                       | 105       | -1  | 106       | -56 | 161      |
| Oil                       | 506       | -5  | 511       | -85 | 591      |

**Why it matters:** Typically, decreasing rig counts would potentially lower production numbers down the road. However, U.S. crude production has been surging as it picks up on reduced output from OPEC, despite lower rig counts in the past year.