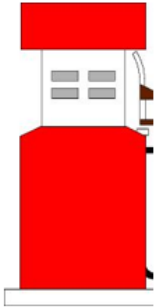


# Gateway FS

## Energy Market Update, March 26, 2025

### NYMEX Prices



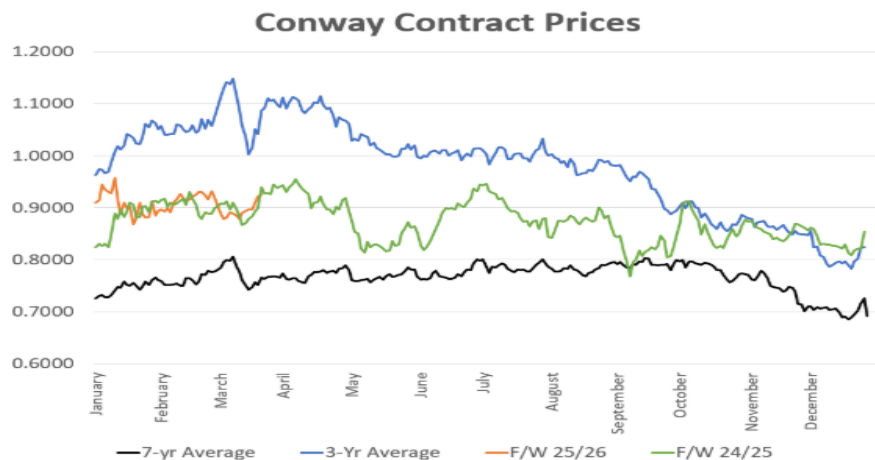
Product	Month	Close	Wk. Change
Crude Oil	May 25	69.65	+2.490
RBOB Gas	Apr 25	2.2328	+0.063
NYH ULSD	Apr 25	2.2887	+0.057
Nat. Gas	Apr 25	3.861	-0.386

#### Market Comments: Energy futures closed higher on Wednesday.

Today's central focus in the markets was the release of the DOE numbers; across the board, everything posted a draw in stocks. U.S. crude oil inventories decreased by 3.3 million barrels from the previous week. At 433 million barrels, they are about 5 percent below the five-year average for this time of year.

Propane inventories decreased by 0.2 million barrels from last week and are 11 percent below the five-year average for this time. As the Midwest forecast looks below average, we could continue to post some draws in the coming weeks.

Nearby crude oil traded slightly over \$70, a significant resistance region, but it could not close above that key level.



### Conway (Hub) contract prices mired in the middle

- Current Conway benchmark LP Fall/Winter 25/26 contract prices are just under \$0.93 per gallon.

The 3-yr average provides context to the upside as contract prices averaged over \$0.98 per gallon from Fall '22 through Winter '25.

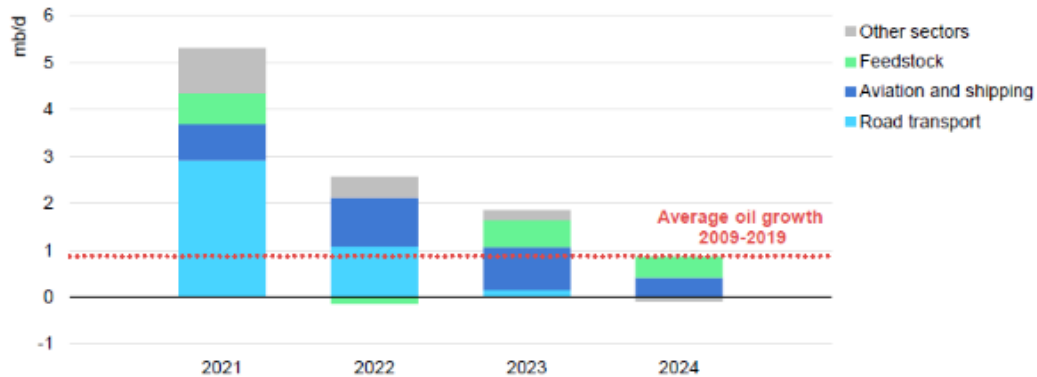
The 7-yr average includes the COVID time frame plus a couple years prior to provide a more balanced view of contract price moves.

Present F/W 24/25 Conway contract prices averaged \$0.87 per gallon.

**Why it matters:** LP prices were filled with outliers to the top and bottom from 2020 to 2023, skewing some of the average numbers. Based on last year's more tempered price movement at an average of \$0.87 per gallon and

current contract values over \$0.90 the risk group is being patient with guidance on prices. As Gene indicated yesterday, demand is weakening, which likely means upcoming opportunities for inventory builds and softer prices.

Global oil demand growth by sector, 2021-2024



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## Global oil consumption continued its downtrend in 2024

Crude demand only managed to grow by 0.8% last year, down from 1.9% expansion in 2023.

2024 marked the first time since before the pandemic that annual global demand was below 1%.

Market share of crude's world energy consumption dropped below 30%, a first in the commodity's history.

A large portion of the slowdown in crude demand growth can be attributed to China.

A couple of the factors that contributed to the slide into 2024, included growth in the adoption of EV's and slowing economic conditions.

**Why it matters:** While the pace of EV adoption has slowed from its feverish pace last year, oil demand growth is still expected to be hampered by less favorable economic conditions this year. The graphic below also helps show how much post-COVID oil demand has fizzled out in under five years as inflation has been higher and monetary relief has been exhausted.



### Continuous Weekly Crude Oil Chart

In early 2025, crude oil prices peaked at \$81.00 and then started on their retreat to the downside.

Most recently, a low was traced out in early March at \$65.00

This was a \$16 swing, and we are only in the third month of the year.

Currently, prices are knocking on the door of testing the psychological resistance level at \$70; if this region were penetrated, prices could

close over it for several sessions. It could be a signal of additional upside momentum.

	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	<b>-3.3</b>	<b>433.6</b>	430	447	<b>-1.4</b>	<b>239.1</b>	224	230	<b>-0.4</b>	<b>114.4</b>	120	127
Est.	+4.500 / +0.600				+3.000 / -2.100				+3.500 / -4.200			
Propane	<b>Total 43.2 -0.2</b>				<b>Midwest 9.0 0.3</b>				<b>Gulf Coast 27.9 -0.7</b>			
API	Crude -4.60 Cushing 0.00				Gasoline -3.3				Distillates -1.30			