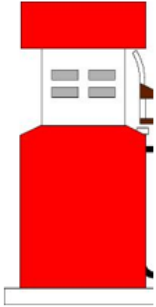


# Gateway FS

Energy Market Update, January 8, 2025

## NYMEX Prices

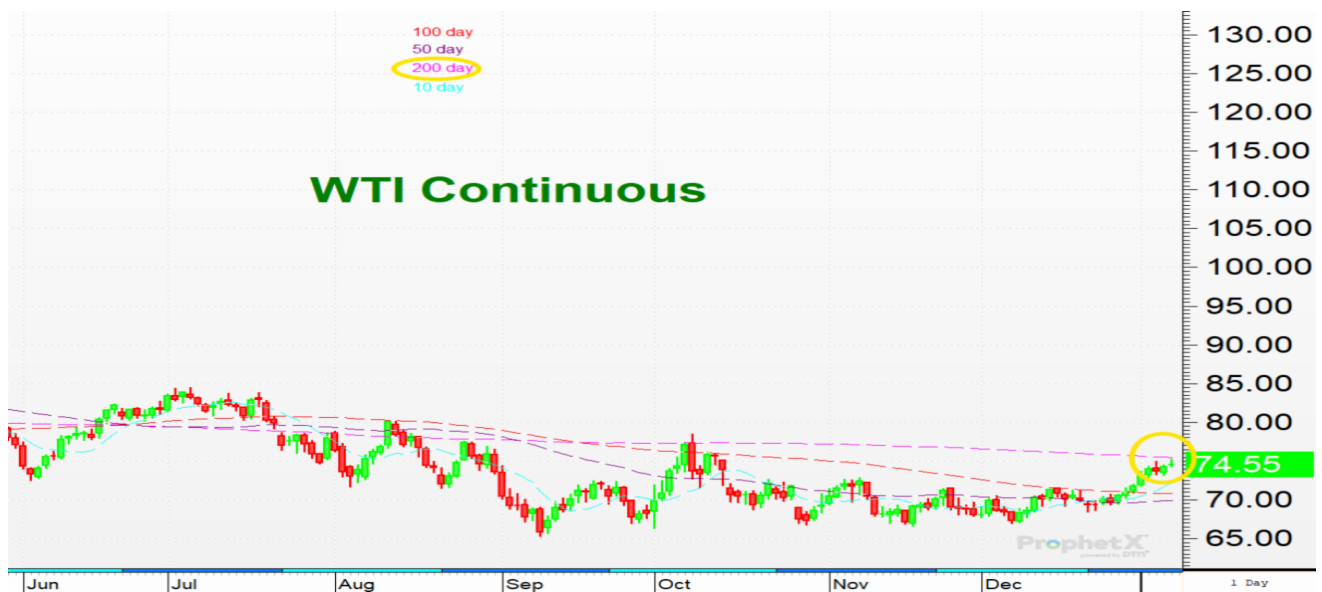


Product	Month	Close	Wk. Change
Crude Oil	Feb 25	73.32	<b>+.19</b>
RBOB Gas	Feb 25	2.0102	<b>-0.0417</b>
NYH ULSD	Feb 25	2.3507	<b>-0.0033</b>
Nat. Gas	Feb 25	3.651	<b>-0.009</b>

### Market Comments: Energy futures fell Wednesday

Crude and products turned lower today across the board following the Weekly Petroleum Status Report from the Energy Information Administration, as diesel and gasoline builds were higher than expected, and crude's draw to inventories was only about a quarter of what the API presented.

The 200-day moving average for WTI also proved to be an area of resistance that has halted its gains at around \$75 crude, a psychological barrier to breach. A stronger dollar trading back to last week's 109 level also provided headwinds to further price advances in energy today.



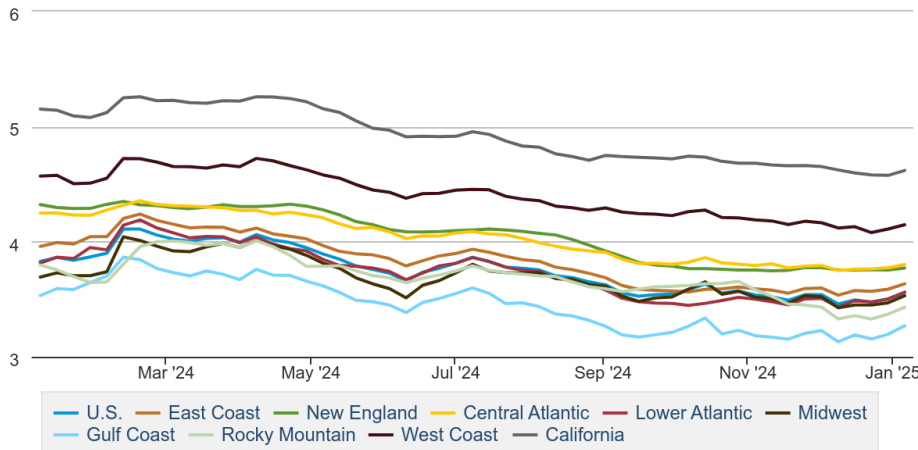
Propane inventories were not surprising to the trade. The 2.5-million-barrel-draw fell between expectations for a 2.78-million-barrel-draw and the five-year average draw for this week of the year being 1.967 mb. Overall, LP Inventories are still 9% above the five-year average for the time of year, which leaves some cushion of stability to prices with expected demand ahead as we enter the coldest winter months: January and February.

	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	-1.0	414.6	424	425	6.3	237.7	227	239	6.1	128.9	130	130
Est.	-3.000/+6.500				-3.200/+6.800				-3.400/+4.000			
Propane	Total 82.6 -2.5				Midwest 21.8 -0.3				Gulf Coast 49.5 -1.2			
API	Crude -4.0 Cushing				Gasoline 7.3				Distillates 3.2			

**Looking ahead:** Stock markets and government agencies will be closed tomorrow in observance of President Jimmy Carter's National Day of Mourning, but the NYMEX will be open and trading.

### On-Highway Diesel Fuel Prices

(dollars per gallon)



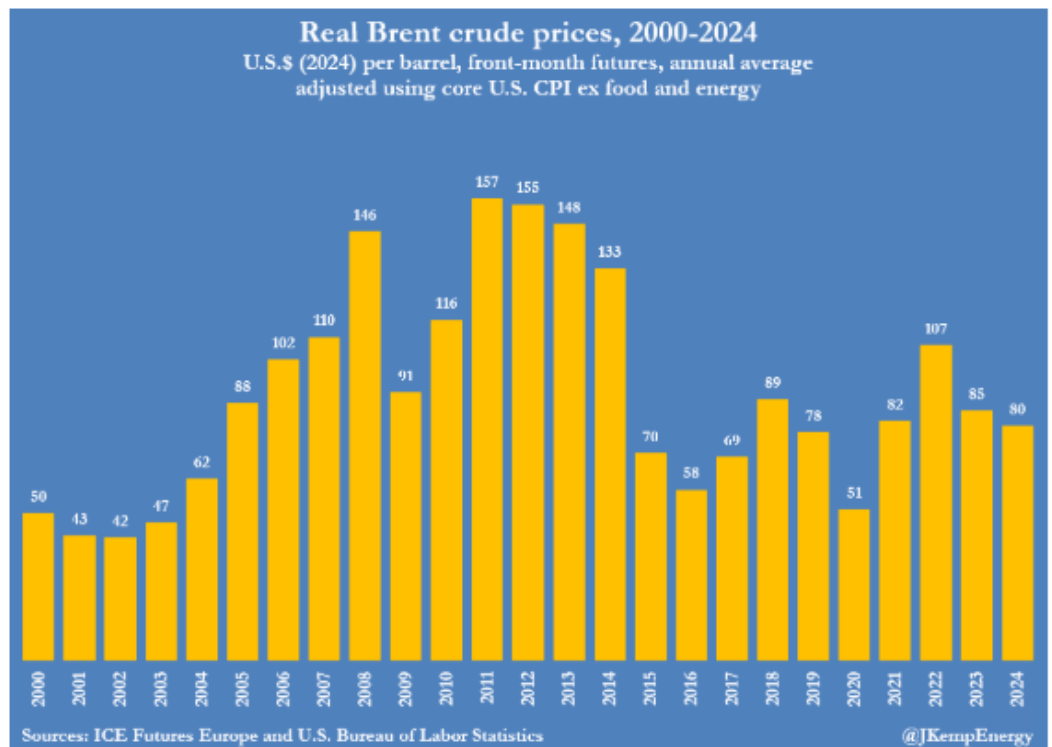
Data source: U.S. Energy Information Administration

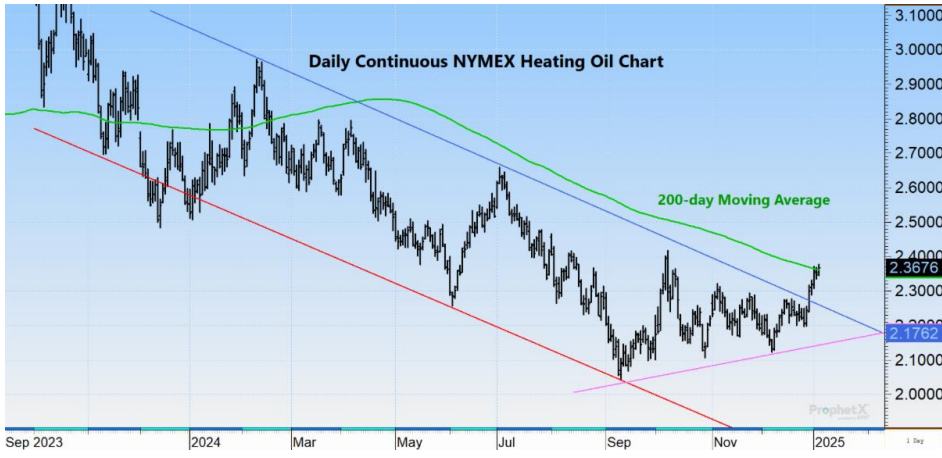
### Diesel fuel prices lift to the end of 2024 and start the new year.

- Since Christmas, the ULSD futures contract has gained about 15 cents, trading mostly higher since the most recent low of \$2.20 on 12/26/24, back to around \$2.35 today.
- US distillate stocks have gained during this time frame, as would regularly be seen this time of year post the heavy demand and refinery maintenance period of the fall, but colder weather has been supporting of the heating oil contract as we begin the coldest months of winter, with apparent demand for distillates spiking over the month of December.

### A look back at Brent Crude oil prices in 2024

- Brent crude oil in the front month averaged \$80 per barrel in 2024. The higher prices came in the first half of the year when they were trading new \$85, and then they fell back to \$77 in the second half of the year.
- Some of the reasons behind the drop in prices came from lackluster global oil consumption growth, mainly due to China's weak economy.
- In addition, non-OPEC production continued, especially in the U.S., Guyana, Brazil, and Canada.
- OPEC + production exceeded agreed limits.





## Diesel breaks out of trend

- Downward trending diesel futures throughout the last year seem to have broken out from the channel.
- Prices have now surpassed all moving average marks on the high side by eclipsing the 200-day moving average.
- Diesel is now in overbought territory after its strong moves over the last week.