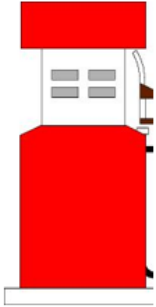


Gateway FS

Energy Market Update, November 13, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Dec 24	68.43	-.18
RBOB Gas	Dec 24	1.9651	-0.0306
NYH ULSD	Dec 24	2.2193	+0.0317
Nat. Gas	Dec 24	2.983	+0.138

Market Comments: Petroleum futures finished out the session higher on Wednesday.

Early in the session, the energy complex took on a softer tone, but as the day progressed, prices gained upward momentum. The early weakness could be linked to expectations from some in the industry for lowered expectations for global demand growth.

In other news, RWE plans a \$1.6 billion buyback due to expected U.S. and Europe project delays. The power utility said the risk to offshore wind projects increased following the U.S. election as it warned of delays to its plans off the East Coast due to outstanding permits. In addition, clean energy investors brace for new risks under Trump, potential new tariffs on clean energy equipment, and a repeal of industry tax incentives may require rethinking project economics.



Group Diesel Basis Values

- Comparing current group diesel basis values to the past few years, they are comparable to current levels.
- However, a difference this year is that basis values have not been as volatile as in years past.
- This fall, demand from the agriculture sector had a nice even pull and did not strain supply.
- Looking ahead, we typically see diesel basis values decline going into the winter months.

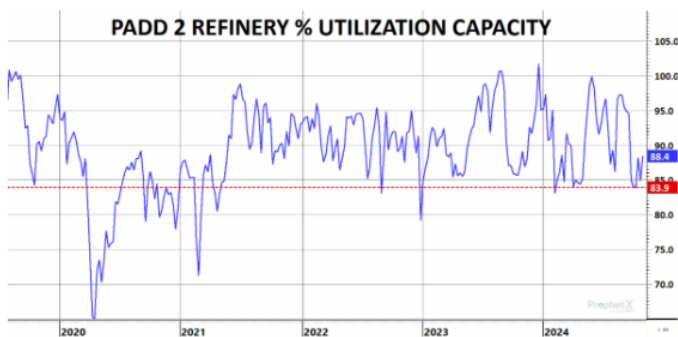
Why it Matters: With a depressed basis value, this will be reflected in cash price values.



Rising propane exports could help tighten supply, drawdown inventories, and provide support for LP prices during the coming winter months.

- According to the latest data from the DOE, four-week average propane exports last week increased by nearly 200,000 bbls/d or 11% to 1.83M bbls/d, a five-month high.
- 4-week avg. exports have now jumped by nearly 275,000 bbls/d or 17% from their 2024 low back in August.
- In addition, on a weekly basis LP exports last week were reported to have surged by more than 700,000 bbls/d or 45% to a six-month high of nearly 2.3M bbls/d.
- Further, although last winter was mild, propane exports during the Nov.23-Mar.24 timestep, averaged 1.74M bbls/d up 200,000 bbls/d or nearly 13% from the previous winter.
- With maintenance work at propane export facilities wrapped up, export demand could continue to increase as low-priced domestic propane spurs higher levels of international demand, especially from Asia where LP prices are fetching ~40 cents more per gallon.

Why it matters: Increased LP export demand that dovetails with increased domestic usage (heating needs) will tighten supply, increase inventory drawdowns, and possibly provide a spark to propane prices in the next six months.



Midwest Refinery utilization is creeping higher.

- Since reaching an 8-month low of 83.9% in mid-October, as of DOE's last week, PADD 2 refinery efficiency numbers have now recovered 4.5% to 88.4%.
- More recent energy publications are showing Midwest refinery utilization climbing close to 95%.
- Seasonal refinery maintenance programs are ramping up operations again.

Why it matters: Increased opportunities for builds to petroleum product inventories will arise as refinery capacity jumps and likely lower seasonal demand for gasoline and diesel occurs.