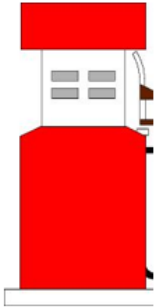


Gateway FS

Energy Market Update, March 5, 2025

NYMEX Prices



| Product | Month | Close | Wk. Change |
|-----------|--------|--------|------------|
| Crude Oil | Apr 25 | 66.31 | -2.31 |
| RBOB Gas | Apr 25 | 2.1370 | +0.1881 |
| NYH ULSD | Apr 25 | 2.2408 | -0.1035 |
| Nat. Gas | Apr 25 | 4.450 | +0.544 |

Market Comments: Crude oil prices traded to a low of \$65.22 in the nearby contract.

It proved to be an interesting day of trade on Wednesday, as the markets traded sharply lower, which resulted in oil prices touching their lowest price since September, on prospects for a global trade war that could dent demand and plans by major oil producers to begin unwinding output cuts next month.

In other news, Ukraine's largest private energy company is discussing with U.S. suppliers bringing more natural gas to Europe as part of a broader expansion.

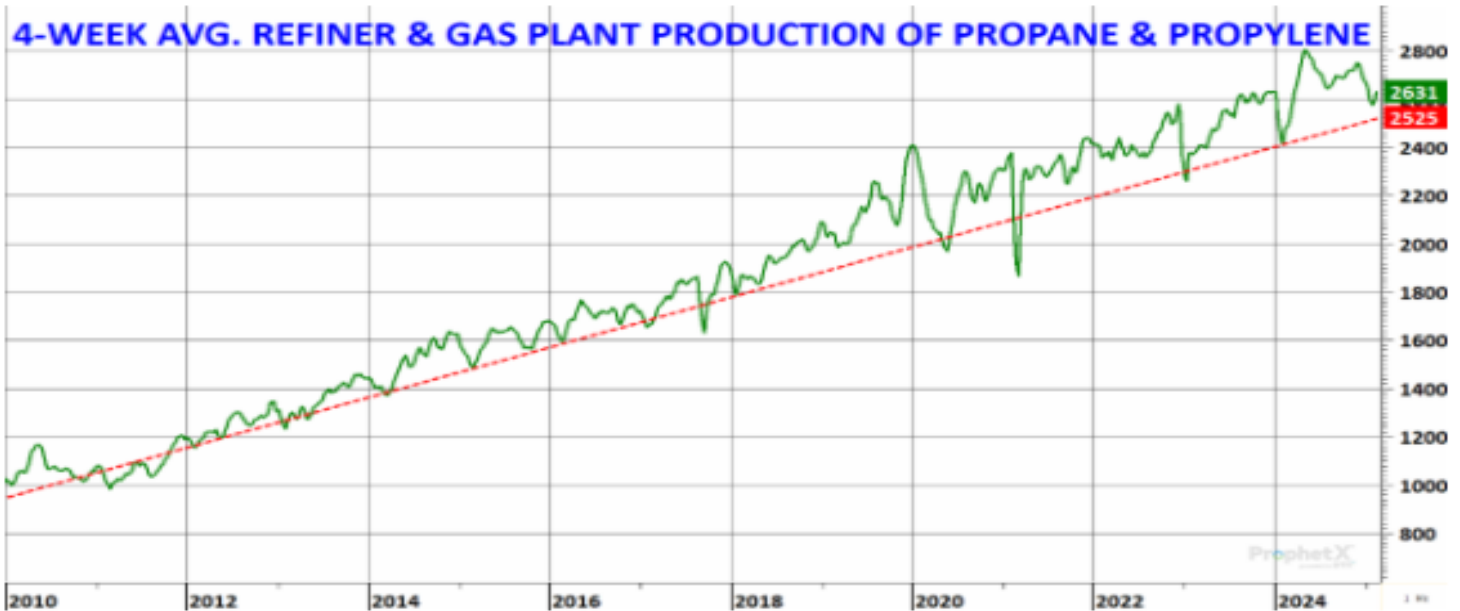
The trade also took note of the weekly DOE numbers, which came out mid-morning and showed a decent build in crude oil of 3.6 million barrels over last week. However, both gasoline and distillate fuel had small draws. As for the propane industry, a 2.9 million barrel draw was reported, which was anticipated considering recent cooler temperatures.



The energy markets are not the only ones feeling the effect of tariffs; so are the corn and soybean markets.

- In early February, soybean prices peaked at \$10.80.
- Then, the trend shifted lower, and the downside was accelerated following the new tariffs on Canada, Mexico, and China.
- This week, soybeans put in a near-term low at \$9.82, a drop of almost \$1.00 since the February high.
- The next downside support comes at the December 2024 low of \$9.45.

| | 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 | 3.6 | 433.8 | 434 | 449 | -1.4 | 246.8 | 219 | 224 | -1.3 | 119.2 | 115 | 121 |
| Est. | +6.600/+1.900 | | | | +2.000/-2.600 | | | | +2.000/-4.300 | | | |
| Propane | Total | | 48.7 | -2.9 | Midwest | | 10.4 | -0.7 | Gulf Coast | | 31.9 | -1.0 |
| API | Crude 3.3 | Cushing 0.0 | | | Gasoline 2.8 | | | | Distillates -2.7 | | | |



As the fast-approaching end to the winter heating season nears, a quick glance at propane production levels is in order as the LP market shifts from winter draws to spring fills.

- Elevated US propane production levels at US natural gas (NG) processing plants and refineries could help to rebuild inventories and potentially soften prices in the coming months.

The four-week average LP production last week was reported to have increased by 38,000 bbls/d or 1.5% to a five-week high at 2.63M bbl/s, according to the latest data from the DOE.

- Four-wk. avg. propane levels reached a record high at 2.8M bbls last May as elevated natural gas production levels and refinery output boosted output.
- In addition, weekly average production levels have been above 2.5M bbls/d for nearly a year.
- Further, four-week. avg. LP production levels have been above 2.4M bbls/d for nearly two years.
- Propane production levels have increased steadily for the past 15 years.
- Rising export levels and strong domestic demand to refill inventory ahead of next year's drying and winter heating season could help further elevate production levels in the coming months.

Why it matters: Although propane inventory levels appeared to be poised to end the winter heating season at a more than three-year low, elevated production levels could rapidly refill storage levels in the coming months and trigger a price pullback

OPEC Production Increases

| Country | 2025 | | | | | | | | | 2026 | | | | | | | | | Required Production Level as per 37 th ONOMM (1) |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|---|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep - Dec | |
| Algeria | 911 | 914 | 917 | 919 | 922 | 925 | 928 | 931 | 934 | 936 | 939 | 942 | 945 | 948 | 951 | 953 | 956 | 959 | 1,007 |
| Iraq | 4,012 | 4,024 | 4,037 | 4,049 | 4,061 | 4,073 | 4,086 | 4,098 | 4,110 | 4,122 | 4,134 | 4,147 | 4,159 | 4,171 | 4,183 | 4,196 | 4,208 | 4,220 | 4,431 |
| Kuwait | 2,421 | 2,428 | 2,436 | 2,443 | 2,451 | 2,458 | 2,466 | 2,473 | 2,481 | 2,488 | 2,496 | 2,503 | 2,511 | 2,518 | 2,526 | 2,533 | 2,541 | 2,548 | 2,676 |
| Saudi Arabia | 9,034 | 9,089 | 9,145 | 9,200 | 9,256 | 9,311 | 9,367 | 9,422 | 9,478 | 9,534 | 9,589 | 9,645 | 9,700 | 9,756 | 9,811 | 9,867 | 9,922 | 9,978 | 10,478 |
| UAE | 2,938 | 2,963 | 2,989 | 3,015 | 3,041 | 3,066 | 3,092 | 3,118 | 3,144 | 3,169 | 3,195 | 3,221 | 3,246 | 3,272 | 3,298 | 3,324 | 3,349 | 3,375 | 3,519 |
| Kazakhstan | 1,473 | 1,477 | 1,482 | 1,486 | 1,491 | 1,495 | 1,500 | 1,504 | 1,509 | 1,514 | 1,518 | 1,523 | 1,527 | 1,532 | 1,536 | 1,541 | 1,545 | 1,550 | 1,628 |
| Oman | 761 | 764 | 766 | 768 | 771 | 773 | 775 | 778 | 780 | 782 | 785 | 787 | 789 | 792 | 794 | 796 | 799 | 801 | 841 |
| Russia | 9,004 | 9,030 | 9,057 | 9,083 | 9,109 | 9,135 | 9,161 | 9,187 | 9,214 | 9,240 | 9,266 | 9,292 | 9,318 | 9,344 | 9,371 | 9,397 | 9,423 | 9,449 | 9,949 |