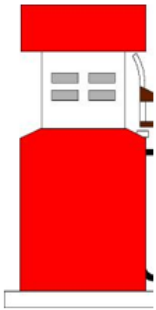


Gateway FS

Energy Market Update, October 16, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Nov 24	70.39	-2.85
RBOB Gas	Nov 24	2.0403	-0.0261
NYH ULSD	Nov 24	2.1747	-0.1022
Nat. Gas	Nov 24	2.367	-0.293

Market Comments: Petroleum futures struggled to find a direction on Wednesday.

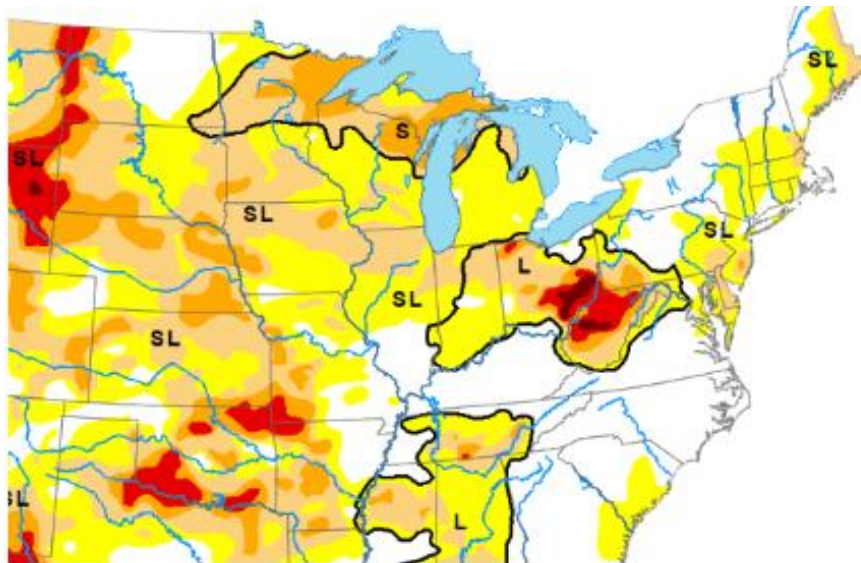
The energy markets traded on both sides of the negative and positive spectrum, but crude oil took on a weaker tone for the fourth straight session as traders weighed supply and demand prospects, particularly from China, the world's largest crude importer.

The International Energy Agency trimmed its forecast for this year's oil demand growth for the third month as a rapid slowdown in Chinese consumption weighs on the global outlook.

Energy prices cooling

- Since the slide to crude and refined products began a few days ago, front-month diesel futures have given back 85% of last week's fresh 3-month highs.
- The price drop has moved diesel off 'over-bought' territory into the middle ground, as shown by the red arrow in the technical analysis below.
- Focus is squarely on weaker demand overseas, more specifically, much lower than expected Chinese consumption.
- Year-over-year imports and exports from China fell short of projections and well below August's tallies.

Why it matters: Demand fears are front of mind for traders as current tensions in the Middle East are not enough to bolster buying. Until evidence suggests there's increasing threats to movement of oil in Iran, current fighting will likely not be enough to turn the tide.



- The current drought monitor across the United States shows significant pockets of extreme dryness in some areas, especially in Kansas.
- The weather forecast for the next 8 to 14 days, valid through October 21st, is not offering significant relief as rainfall in the Plains calls for near-normal precipitation, at best.
- During this same time frame, temperatures across most of the U.S. are expected to be above average.
- With the extreme dryness and not excellent prospects for rainfall in the near term, some producers speculate that fieldwork may be minimal in these regions.
- In addition, there has been talk that the winter wheat crop may not be planted due to the lack of moisture.
- How does this correlate to the energy industry, a decrease in fieldwork and/or wheat planted to cut b

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