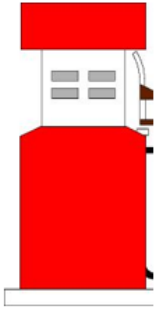


Gateway FS

Energy Market Update, November 20, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Dec 24	68.87	+0.44
RBOB Gas	Dec 24	2.0458	+0.0807
NYH ULSD	Dec 24	2.2263	+0.0070
Nat. Gas	Dec 24	3.193	+0.210

Market Comments: Crude & diesel turn lower mid-week

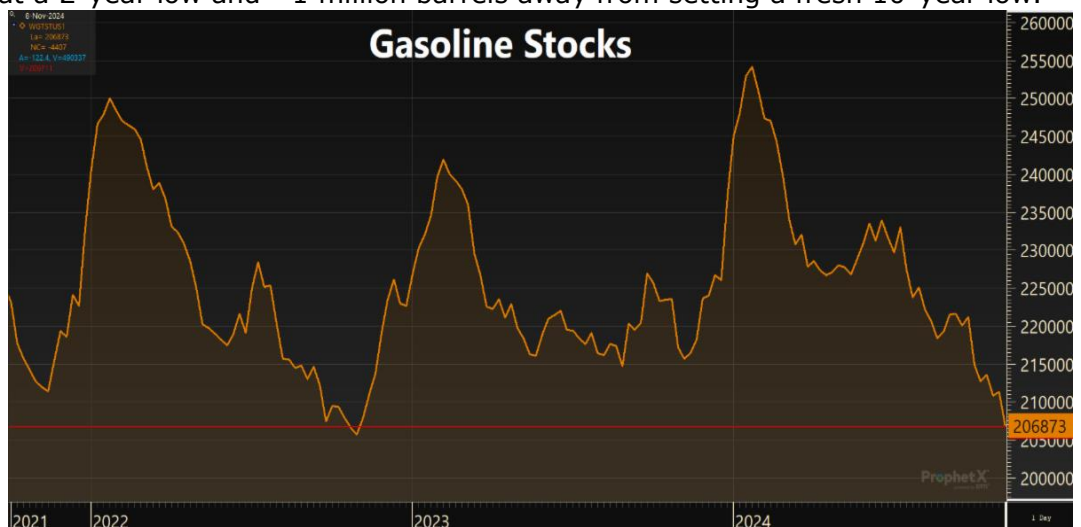
WTI crude, RBOB and the HO contract all eventually turned into the red following this morning's EIA figures, which traders viewed as bearish. Propane however was able to hold its ground, even with crude's declines and a draw of 663,000 barrels reported, which was below expectations. Gasoline had the most support on the board today even as stocks rose by 2.1 million barrels per day, as this comes off the heels of last week's 4.407 mb draw. **Looking ahead:** Eyes are currently on Natural Gas as the big mover in energies today, as the contract has been making strong gains and was up almost 20 cents nearby. Morgan Stanley is predicting a storage deficit and higher prices ahead for 2025, but that will be largely dependent on the weather this winter heating season. Jet fuel demand fell last week, however we will be watching for it to rise again next week for the Thanksgiving Holiday.

Weekly Petroleum Status Report

	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	0.5	430.3	438	451	2.1	208.9	213	216	-0.1	114.3	113	120
Est.	+3.000/-2.400				+2.600/-3.800				+3.000/-2.400			
Propane	Total		97.7	-0.7	Midwest		28.6	-0.1	Gulf Coast		55.2	-0.9
API	Crude	4.8	Cushing	-0.3	Gasoline	-2.5	Distillates		-0.7			

Seasonal drop in gasoline inventories taking hold

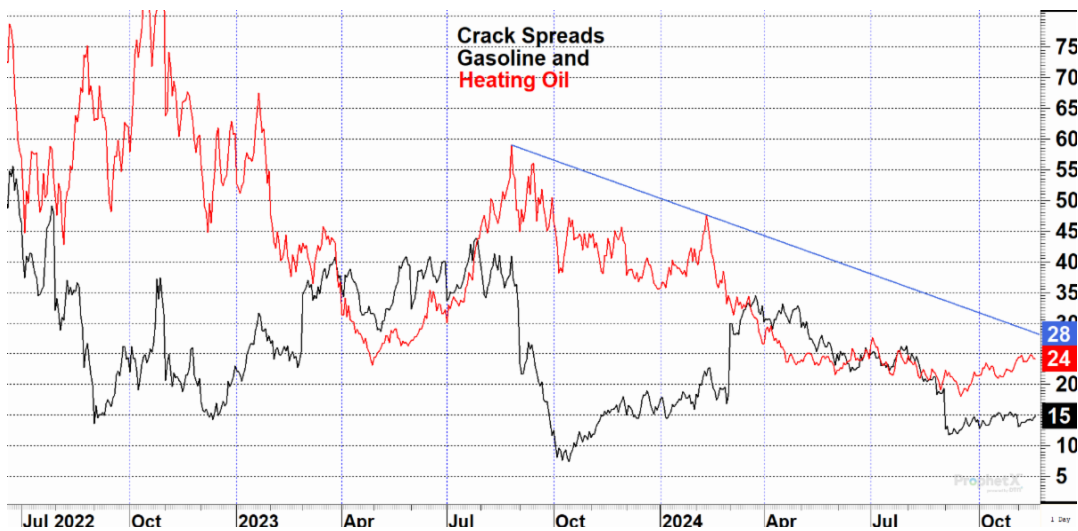
- Gasoline stocks are at a 2-year low and ~1 million barrels away from setting a fresh 10-year low.
- Last week's demand was at a one-month high ahead of shift over to distillate demand.
- With refineries coming back online from scheduled maintenance programs there are increasing chances for builds to inventories.
- However, with the Thanksgiving holiday approaching we could see elevated demand from road travel.



Why it matters: Relief to gasoline stocks is coming as utilization should continue to pick up in the coming weeks, but if demand stays relatively high into Thanksgiving, we could see an uptick in prices with a rise in holiday demand

Distillate crack spreads have cooled since boom of last 2 years

- Since infused supply constraints occurred in Spring 2022 and Fall 2022, distillate crack values have been on the decline.
- As countries around the world established new energy trade routes, the burden of relying on Russian energy products has regressed.
- Still, 2023 was an above average year for US refiners to pump out distillates.
- The last 7+ months distillate cracks have maintained < \$30 per barrel, as supply moved back to a more 'balanced' state after 2 prior yrs that saw turbulent highs.

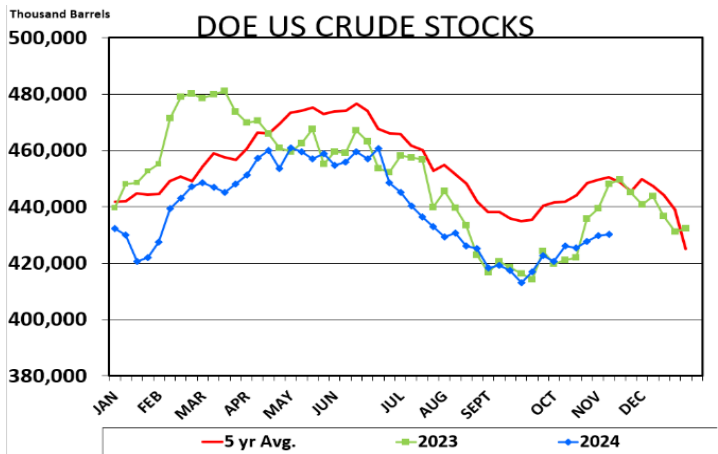


Why it matters:

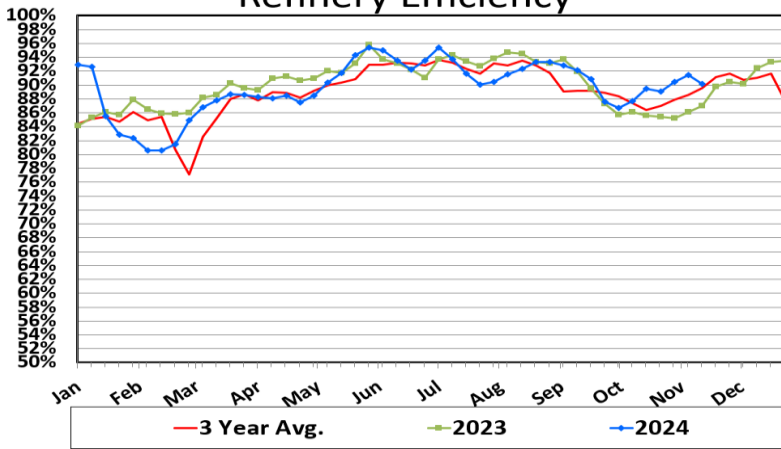
Hefty profits for refiners aren't rolling in at the same clip as they once were, meaning incentives for refiners aren't as high. With the President-elect's desire to drill more oil, it will be interesting to see how that translates to refined fuel production as producers don't gain anything by pushing out more at current values.

U.S. Crude Stocks

- Builds to crude stocks domestically over the past month have been modest for this time of year, leading to below average inventories vs. last year and the five-year average.
- As refineries come out of turnaround and fall maintenance concludes, increasing refinery utilization rates could add to crude throughput, weighing on builds to stockpiles.



Refinery Efficiency



- Sources are reporting a delay to the BP Whiting refinery restart, following some volatility in the Chicago spot market Tuesday.
- U.S. Refinery efficiency is currently at 90.2% which was a decrease of 1.20% for the week ending 11/8.
- Inputs of crude oil and other feedstocks fell by 218,000 barrels per day to 16.536 million b/d.