

# Gateway FS, Inc.

## Energy Market Update April 18, 2018

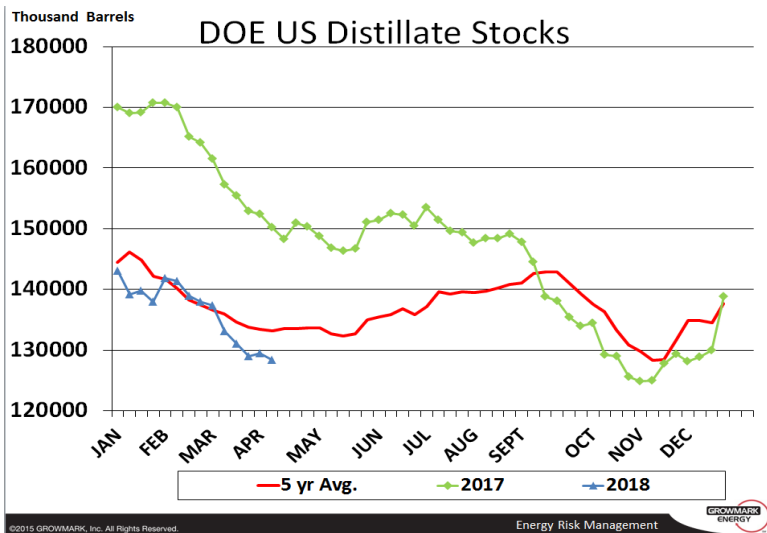
### NYMEX Prices

	Close	Wk. Change
May Crude Oil	\$68.54	+1.71
May Gasoline	\$2.0701	+0.002
May Heating Oil	\$2.0949	+0.0025
May Natural Gas	\$2.735	+0.061

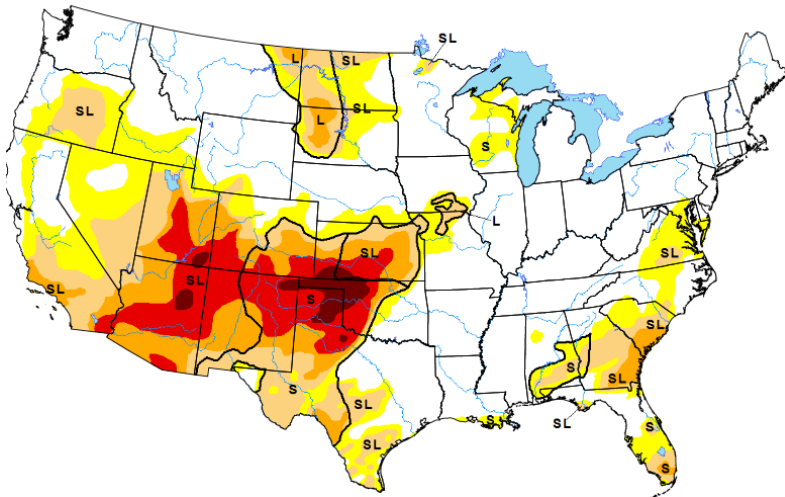
**Market Comments:** The energy markets all closed higher on Wednesday afternoon following a bullish DOE report. All of the liquid markets indicated a draw in supplies, while propane posted a small build.

The crude oil market wrapped up over \$68/barrel, which is the first time in the past three years.

President Donald Trump has threatened to pull out of the nuclear deal between Iran and six major world powers by May 12 unless Congress and European allies help fix the current deal with a follow up agreement.

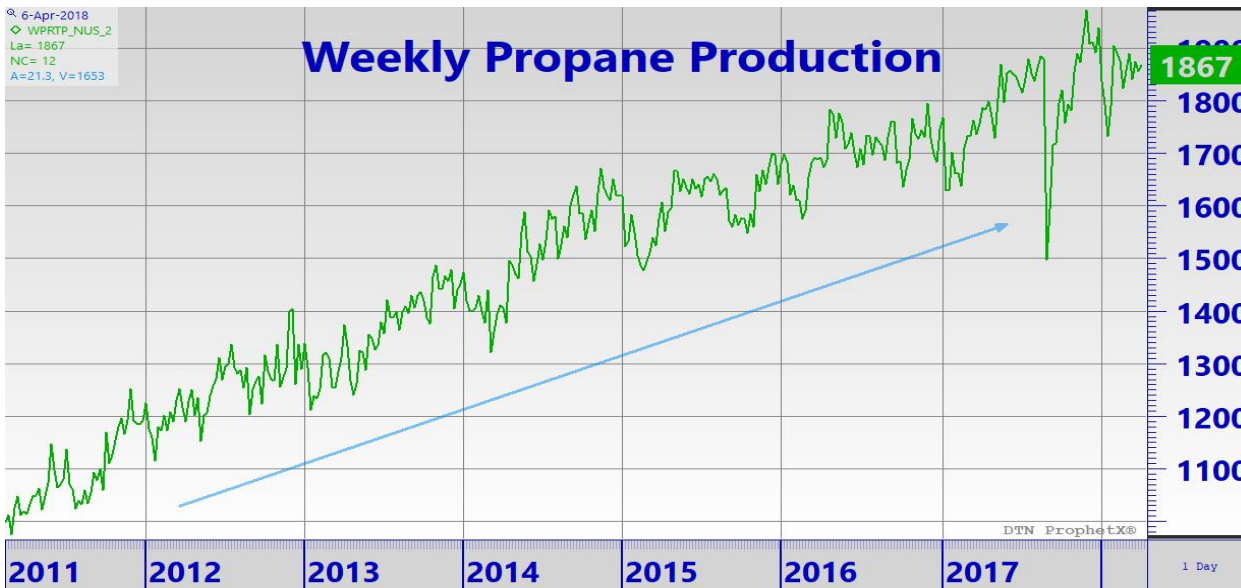


**When looking at specific markets sometimes it is beneficial to do a side by side comparison between stocks and price activity.** Stocks of distillates here in the U.S. have been on a steady decline since mid-February. Supplies were drawn down from heating oil demand this past winter, especially on the east coast. In addition, U.S. distillate exports peaked out in early March, which brings down U.S. stocks as well. Currently stocks of distillates in the U.S. are running below the 5 year average and significantly below where we were this time last year. On the flip, as stocks continue to decline the cost of heating oil has trended higher. The market put a near term low in place back in June 2017 and has been on a steady incline since that point in time. Typically the market does a very good itself bringing things back into balance.



**It is not surprising the U.S. winter wheat crop is struggling when you examine the U.S. drought map.** The Plains is suffering from extreme to exceptional drought. Garden City Kansas has not received any measureable rainfall yet this year. The average year to date precipitation is typically around 5.11 inches. The current forecast is calling for some rain showers to move through this region this coming weekend, but some of the winter wheat crop may be past recovering.

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	<b>-1.071</b>	<b>427.6</b>	471	469	<b>-2.968</b>	<b>236.0</b>	226	228	<b>-3.107</b>	<b>125.3</b>	135	134
EST.	+4.985/-3.000				+1.254/-2.000				+3.222/-2.000			
Propane	<b>Total +0.1 35.9</b>				<b>Midwest -0.1 9.0</b>				<b>Gulf +0.2 23.1</b>			
API's	<b>Crude -1.047 Cushing -1.015</b>				<b>Gasoline -2.473</b>				<b>Distillates -0.854</b>			



Propane prices stayed supported last week, following crude oil higher. A stock draw on last week's inventory report was unusual for this time of

year, but domestic demand has stayed strong as cooler weather has refused to relinquish its grip. If the U.S. was experiencing the strong exports that we had last year at this time, prices would be higher. Propane exports have been down for the entire calendar year so far, helping to make up for the lack of inventory builds. Propane production has been averaging 138,000 barrels/day higher this year than last year during this same time period.