

Gateway FS, Inc.

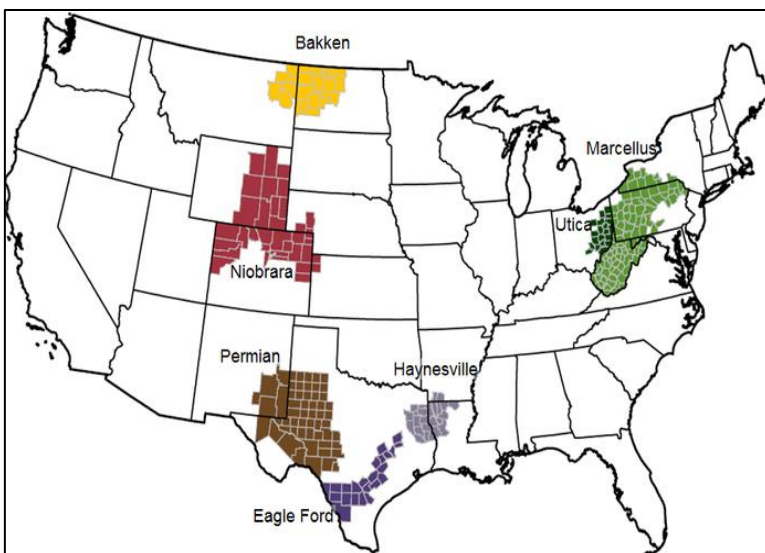
Energy Market Update September 19, 2018

NYMEX Prices

	Close	Wk. Change
Oct Crude Oil	\$71.72	+0.75
Oct Gasoline	\$2.0207	-0.0141
Oct Heating Oil	\$2.2466	-0.0111
Oct Natural Gas	\$2.908	+0.079

Market Comments: U.S. Oil prices rose by about \$1 a barrel today, supported by a drawdown in U.S. crude inventories for the fifth straight week and strong domestic gasoline demand. Crude inventories fell 2.1 million barrels last week to 394.1 million barrels, the lowest level since February 2015. Gasoline consumption usually picks up in the summer and declines in the fall, but demand remained strong in the latest week, estimated at 9.5 million bpd. Propane saw a build of 0.1 million barrels last week to 74.8 million barrels, 9.5 million barrels lower than the five year average for this same time of year.

	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	-2.1	394.1	443	431	-1.7	234.2	219	218	+0.8	140.1	146	143
EST.	-1.900/-3.541				+1.769/-4.500				+3.522/-4.500			
Propane	Total +0.2 74.8				Midwest +0.4 26.3				Gulf -0.3 37.5			
API's	Crude +1.250 Cushing -1.570				Gasoline -1.485				Distillates +1.536			



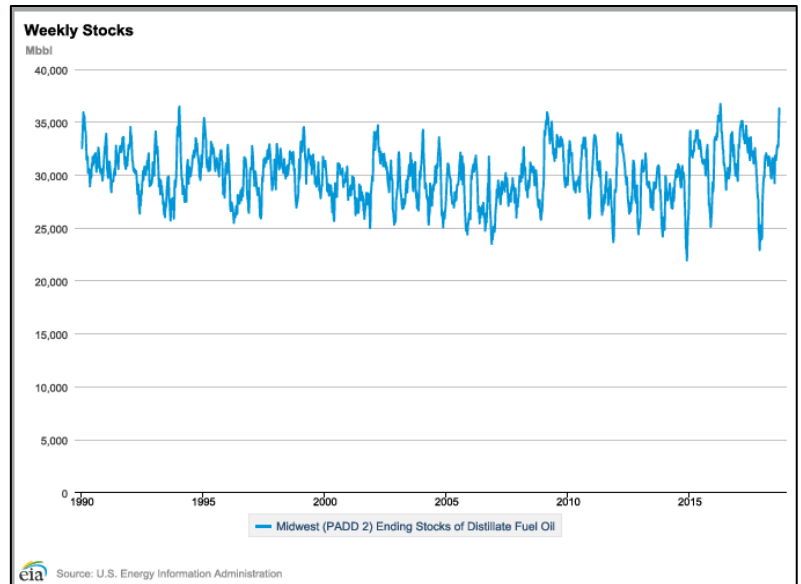
Output from seven major shale formations in the United States is expected to rise by 79,000 barrels per day to 7.6 million bpd in October, according to the EIA. Rising oil output from shale formations boosted total U.S. crude production to a record high of almost 10.7 million bpd in June. Production in the Permian formation of Texas and New Mexico is expected to rise 31,000 bpd, and output from five other major shale formations is expected to rise in the month. Output in the Haynesville shale, which is the smallest of the seven

that the EIA tracks, was expected to be unchanged at 43,000 bpd in the month.

Canadian Foreign Minister Chrystia Freeland and U.S. Trade Representative Robert Lighthizer will hold fresh discussions on renewing NAFTA on Wednesday in Washington. Last month President Donald Trump announced a deal with Mexico, but warned that he is prepared to leave Canada out if it fails to accept terms more favorable to the United States.

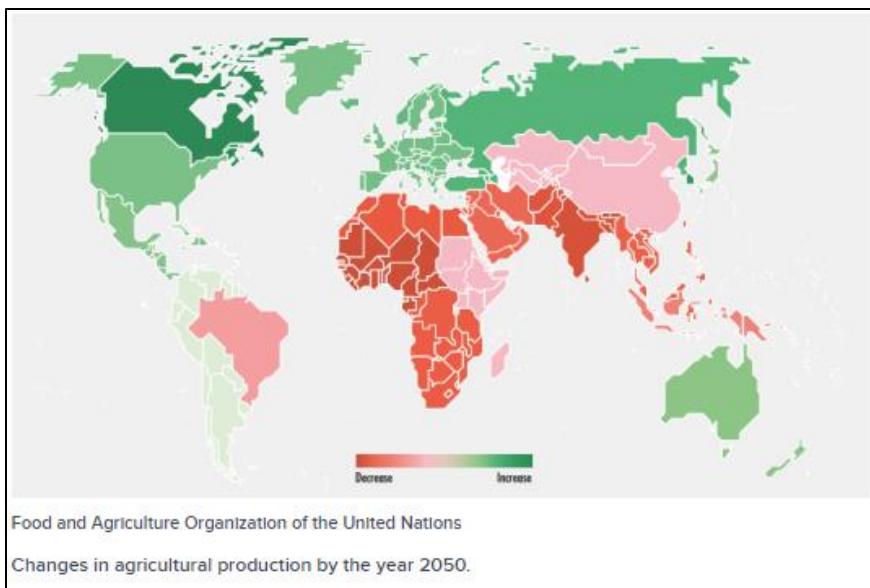
Total US distillate stocks are short of mid-range, but Midwest stocks are in the best shape of any area in the US right now, especially for this time of year. It is pretty reassuring to see that as we are entering into harvest and refinery maintenance season.

Days of Supply	9/8/17	9/7/18
US	144.6	139.3
East Coast	49.2	44.1
Midwest	32.5	36.3
Gulf Coast	47.3	42.2



Monthly reports released last week from the Energy Information Administration (EIA), International Energy Agency (IEA) and OPEC all leaned bearish. All indicated an expected lessening in global demand as economies around the world slow down. The US is getting ready to institute an additional \$200 billion in tariffs on China.

The Food and Agriculture Organization of the United Nations released a report yesterday titled “The State of Agricultural Commodity Markets 2018” that identified the future winners and losers in agriculture as the planet warms due to the impact of climate change. The report attempted to study the relationship between agricultural trade, climate change and food security. A section of the report which focused on the long-term impact of climate change on agricultural production and trade, detailed which parts of the world can expect yields to rise or fall over the next three decades. Most tropical regions are likely to experience production losses due to rising temperatures, whereas production in temperate regions is expected to benefit from warmer climate and longer growing seasons.



Using the year 2050 as the end point, the report stated that declines are forecasted to be the most obvious in West Africa and India, where farming yields could fall as much as 2.9 and 2.6 percent, respectively.

Conversely, the report forecasted that higher temperatures in higher latitude regions will increase harvest. Countries impacted by this included Canada and Russia with increases of 2.5 percent and 0.9 percent, respectively, and suggested that even parts of Finland could soon be warm enough to produce cereal.