

Gateway FS, Inc.

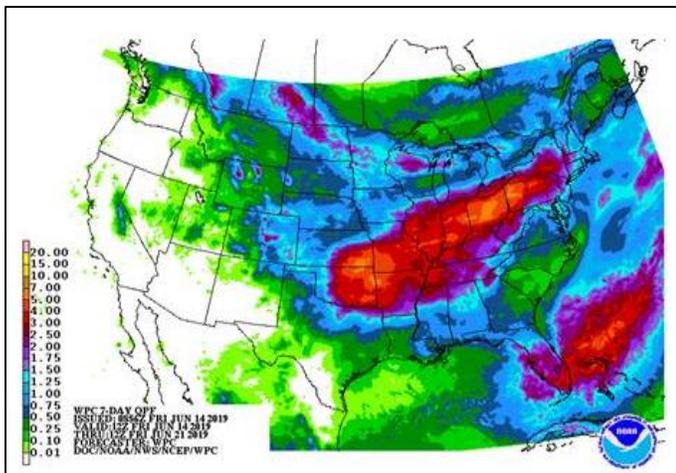
Energy Market Update June 19, 2019

NYMEX Prices

	Close	Wk. Change
July Crude Oil	\$53.76	+2.62
June Gasoline	\$1.7355	+0.0494
June Heating Oil	\$1.8294	+0.0495
June Natural Gas	\$2.276	+0.1100

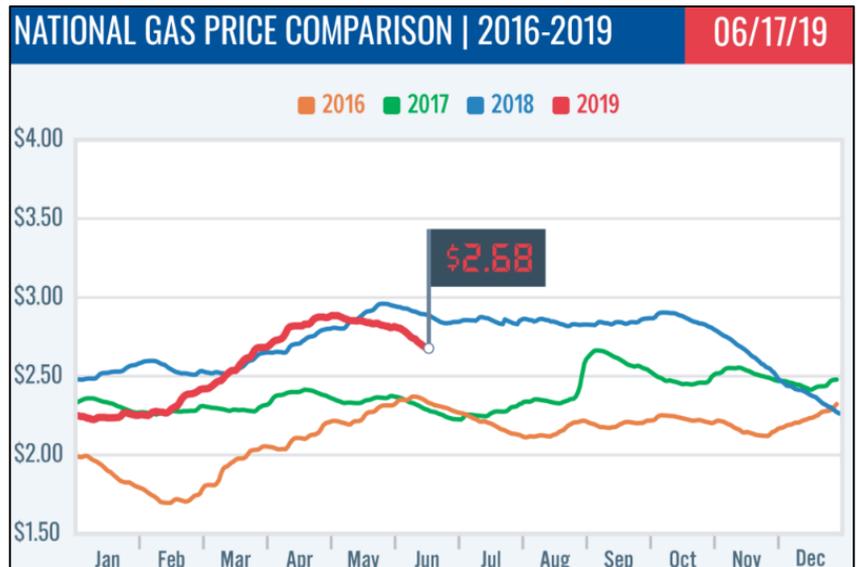
Market Comments: Oil prices finished lower today as U.S. crude inventories fell more than expected, while the prospect of a trade agreement between Washington and Beijing also supported prices. U.S stockpiles fell across the board last week, with crude inventories dropping more than expected and refined products posting surprise drawdowns due to a rise in refining, crude exports, and a drop in crude production. In other news, the Federal Reserve left interest rates unchanged today and indicated there are still no cuts coming in 2019. The central bank expects a rate cut in the future, but not until 2020.

	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	-3.1	482.4	489	464	-1.7	233.29	240	230	-0.6	127.8	141	135
EST.	-.0500/-3.000				+1.250/-2.000				+1.750/-3.000			
Propane	Total 74.5 +3.4				Midwest 19.1 +1.1				Gulf 48.2 1.1			
API's	Crude -0.812		Cushing +0.520		Gasoline +1.460				Distillates -0.050			



December corn has put on quite the performance in a relatively short period of time. A low was traced out the week of May 13th and in approximately a months' time the market has gained just over a \$1.00 in value. The latest round of buying in the market was spurred on from the weather models, which was calling for extremely wet weather to once again move across the Midwest. This certainly could dictate producers that do not have corn planted ahead of the system could be forced to switch to soybeans due to the date on the calendar.

The national average price at the pumps dropped six cents on the week as of Monday, following a consistent downward trend since Memorial Day. Pump prices usually move higher during the summer months due to an increase in demand. However, the EIA reported last week that domestic gasoline inventories jumped a million barrels, helping to push prices lower. Strong production output and increased imports have helped gasoline



storage levels grow consistently over the past four weeks, according to OPIS. Monday's national average was \$2.68, which is six cents less than last week, 17 cents cheaper than last month, and 20 cents less than the same time last year.

OPEC has agreed to move its next meeting to July 1, followed by a meeting with non-OPEC allies on July 2. OPEC was originally planning to meet on June 25 -26, and have been debating for the past month on new date for their upcoming meeting to discuss their oil output policy.

	Propane Builds: Season Low to 1st week in June (,000 bbls)
2015	25,051
2016	16,125
2017	13,131
2018	15,242
2019	20,975
Average	18,105

The table to the left shows U.S. propane builds from winter seasonal lows through the first week of June. The low prices of early 2016 played out to higher prices through 2017 and 2018 as these two years were below the 5-year average for propane builds. The above average builds for propane we are seeing so far in 2019 plus larger crude builds has played a part in the drop in prices for both products.

The International Renewable Energy Agency (IRENA) says that 11 million people were employed in renewable energy worldwide in 2018, up from 10.3 million in 2017. China, the U.S. and the European Union have the most renewable energy industries in the world, but Malaysia, Thailand and Vietnam had the biggest growth this year, with photovoltaic panels (PV) and wind the most active of the renewable industries. Asia has nine-tenths of the global PV jobs. Germany is the leader in onshore and offshore wind development.

