

Gateway FS, Inc.

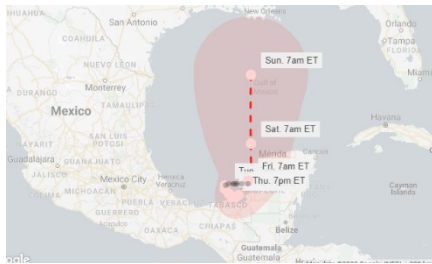
Energy Market Update June 3, 2020

NYMEX Prices

| | Close | Wk. Change |
|-----------------------|---------------|----------------|
| June Crude Oil | 37.48 | +4.65 |
| June Gasoline | 1.1242 | +0.1314 |
| June Heating | 1.0688 | +0.0967 |
| June Natural | 1.816 | +0.095 |

| | | | | | | | | | | | | |
|-----------------|----------------------------------|------------------------------------|-------------|-------------|-------------------------------------|------------------------------------|---------|-------------|-------------------------------------|---|-------------|---------|
| DO E | - 2.0 77 | 53 2. 3 | 4 7 8 | 4 8 9 | +2 .79 5 | 25 7. 8 | 23 8 | 2 3 4 | +9 .93 4 | 1 7 4. 3 | 1 3 2 | 13 6 |
| EST . | +1.300/+5.247 | | | | -1.000/+2.187 | | | | +1.000/+6.427 | | | |
| Pro pan e | Total 67.3 +3.1 | | | | Midwest 15.6 +0.9 | | | | Gulf 43.1 +1.9 | | | |
| API' s | Crude -0.483 Cushing -2.200 | | | | Gasoline +1.706 | | | | Distillates +5.917 | | | |

A Tropical Storm Warning was issued by the government of Mexico earlier in the week. Tropical Depression Three is forecast to become a tropical storm early Wednesday. Once the system gets upgraded to a tropical storm, meaning winds of 39 mph or greater, it will be named Tropical Storm Cristobal. According Meteorologist Brand Miller, "If



this occurs before Friday, it will be the earliest in the year for a third named storm on record for the Atlantic basin." Nearly all-weather entities-government agencies, institutions, and private

companies are forecasting for an above average hurricane season for 2020.

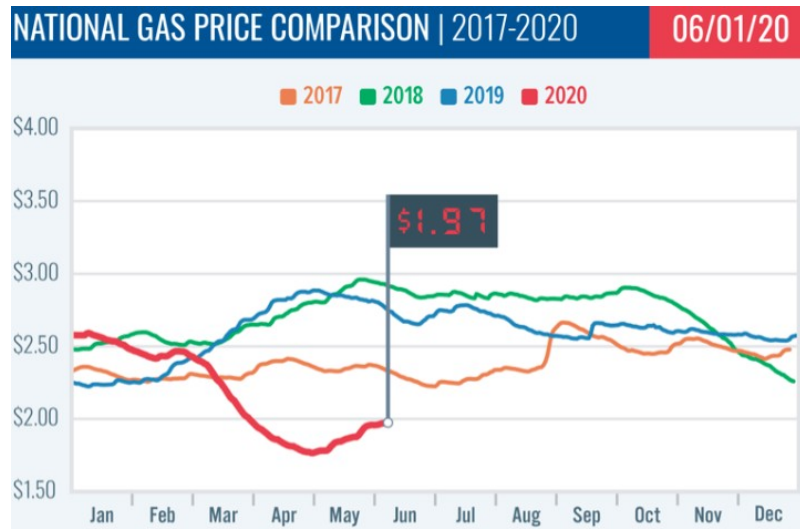


Investors expect the oversupply in crude to disappear first due to cuts from OPEC and the U.S. shale producing sites. Funds hold more than 6

bullish long positions for every short position in ICE Brent, ICE WTI and NYMEX WTI crude. Fund managers do not show as much enthusiasm for refined fuels with long to short positions of just 3:1 for gasoline and 1:1 in distillates such as heating oil and gasoil.

On Monday the national average for gasoline came in at \$1.97 per gallons, just about a penny more expensive than last week. Part of the incremental jump is due to the increase in gasoline demand, which saw a 7%

week-over-week increase. However, demand is still down nearly 25% compared to last year, according to the EIA's latest report. Yesterday's national average was 20 cents more than a month ago, but 85 cents less than last year at this time.



ISM manufacturing index recovering but still very low
Readings under 50 indicate contraction



U.S. manufacturing activity eased off an 11-year low in May, the strongest sign yet that the worst of the economic downturn could be behind us as business continue to

reopen. However, the recovery from the Covid-19 crisis could take years because of high unemployment. The ISM said its index of national factory activity rose to a reading of 43.1 last month from 41.5 in April, which was the lowest level since April 2009. A reading below 50 indicates contraction in manufacturing, which accounts for 11% of the U.S. economy. There was also a slight improvement in the ISM's measure of factory employment, which

advanced to a reading of 32.1 in May after plunging to 27.5 in the prior month.