

Gateway FS, Inc.

Energy Market Update January 16, 2019

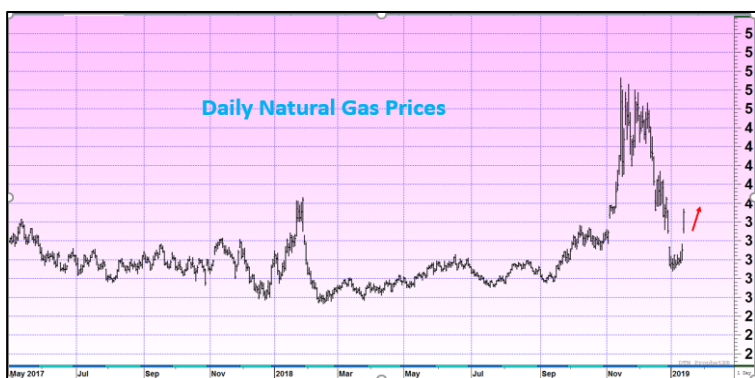
NYMEX Prices

	Close	Wk. Change
Feb Crude Oil	\$52.31	-0.05
Feb Gasoline	\$1.4159	-0.0095
Feb Heating Oil	\$1.8946	+0.0138
Feb Natural Gas	\$3.384	+0.400

Market Comments: Oil prices finished higher today after inventory data showed growing U.S. refined product stockpiles and record crude production, which could undermine global efforts to support prices. Gasoline stocks rose by 7.5 million barrels to 255.6 million barrels, the highest weekly level since February 2017. Diesel stocks, which include diesel and heating oil, increased 3 million barrels, versus expectations for a 1.6 million barrel rise. This is the fourth straight week U.S. fuel stockpiles have increased, outweighing a larger than expected crude drawdown.

	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	-2.7	437.1	462	425	+7.5	255.6	237	235	+3.0	143.0	157	147
EST.	+2.769/-3.600				+4.021/-3.000				+4.637/-3.000			
Propane	Total -1.2 67.5				Midwest -0.6 19.8				Gulf -0.8 38.7			
API's	Crude -0.56 Cushing -0.796				Gasoline +5.99				Distillate +3.21			

OPEC and its allies will meet on April 17th-18th in Vienna to decide whether to extend the supply cut agreement that started on January 1st. The group also plans to meet in February to work on the framework for an OPEC and non-OPEC long term cooperation agreement.



Natural gas prices jumped at the start of the week following the colder temperatures and winter storm that moved across portions of the U.S. last weekend. Prices are not likely to retreat in the near-term, as temperatures are forecasted to stay extremely cold through at least next weekend.

Two large turnarounds have commenced. In the Northeast, some extensive work is being performed in Philadelphia Energy Solutions' complex on the Delaware River, while at the Gulf Coast, ExxonMobil has started a major turnaround that may keep a 280,000 barrel a day crude unit out of action for 40-60 days. Gulf Coast turnaround activity is expected to peak in March with about 1 million b/d of equipment scheduled to be sidelined.

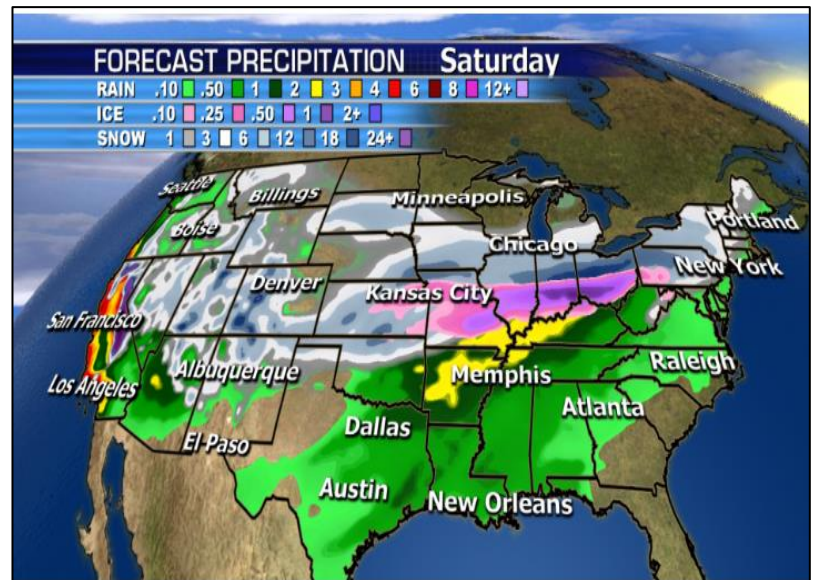
NATIONAL GAS PRICE COMPARISON | 2016-2019

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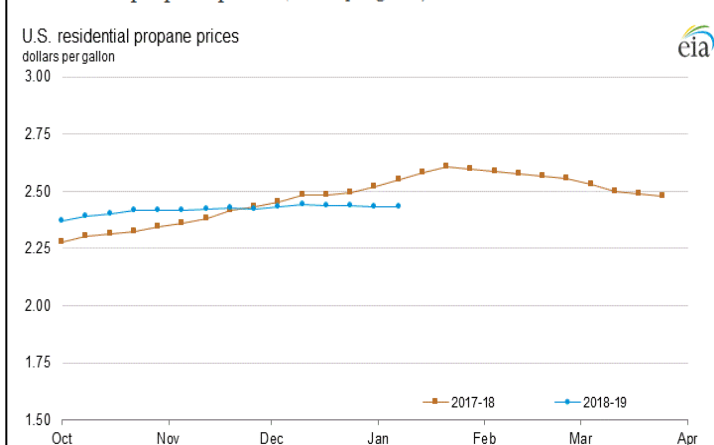


The national average price for gasoline is a penny higher this week at \$2.25, the first increase since October. Last week we saw not only more expensive crude oil, but a build in U.S. gasoline stocks and a slight increase in demand. Overall demand has been down lately, contributing to the growth in stocks, which is helping to keep gas prices lower despite higher crude prices.

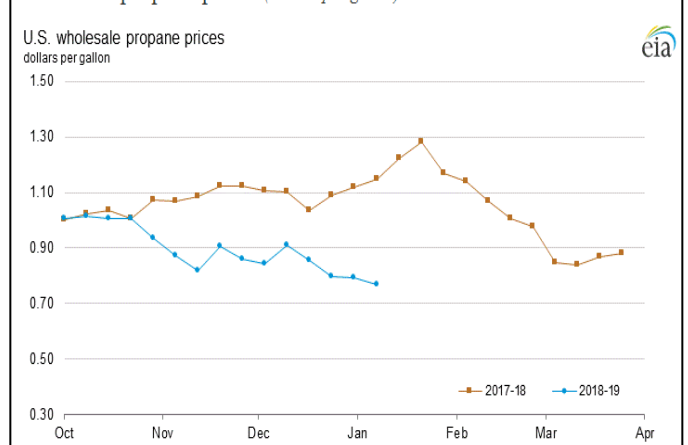
Just as the Midwest is shoveling its self out of the winter storm this past weekend, the forecasters warned of a new, gathering system that could bring another wintry mess next weekend. The activity currently out west will then set the pattern for a potential return of wintry precipitation across the Midwest. However, the colder temperatures will help to boost propane demand that has been somewhat limited because of the milder temperatures at the end of 2018.



Residential propane prices (dollars per gallon)



Wholesale propane prices (dollars per gallon)



Residential propane prices averaged around \$2.43 per gallon, down slightly from the previous week and nearly 12 cents per gallon lower than a year ago. Wholesale propane prices average almost \$0.77 per gallon, about 3 cents per gallon lower than last week and 38 cents per gallon below last year's price.