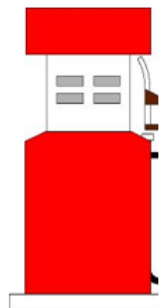


Gateway FS

Energy Market Update, May 7, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Jun 25	58.07	-0.14
RBOB Gas	Jun 25	2.0278	+0.0101
NYH ULSD	Jun 25	1.9766	-0.0252
Nat. Gas	Jun 25	3.621	+0.295

Market News: Petroleum prices settled lower Wednesday

Today's two-million-barrel draw to crude stocks did little to support oil and fuel prices, despite domestic inventories being below average and continuing to decline, as expectations are that demand will lag supply overall this year, particularly with increasing OPEC barrels on the market. Gasoline prices dropped the most today with demand falling in this past week's EIA data and inventories building a bit (+200,000 barrels). Stocks overall are 3% behind the five-year average, but refinery runs are up to 89%, which eases supply concerns, particularly if demand is weaker this summer.

China's policy easing and plans announced to meet with U.S. officials this weekend did little to support energy markets. Jerome Powell confirmed that the Federal Open Market Committee (FOMC) did decide to leave interest rates unchanged with tariffs adding to economic uncertainties.

Looking ahead: The FOMC will be watching for economic risks of higher unemployment and higher inflation around the tariffs, prior to veering from their decision to hold rates steady following their December rate cut.

Weekly Petroleum Status Report

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	-2.0	438.4	449	473	0.2	225.7	224	233	-1.1	106.7	109	125
Est.	+1.5				-2.7				-1.5			
Propane	Total 48.2 1.0				Midwest 10.2 0.2				Gulf Coast 31.0 0.5			
API	Crude -4.5 Cushing -0.4				Gasoline -2.0				Distillates 2.2			

Daily Continuous Heating Oil Chart with 50-day moving average

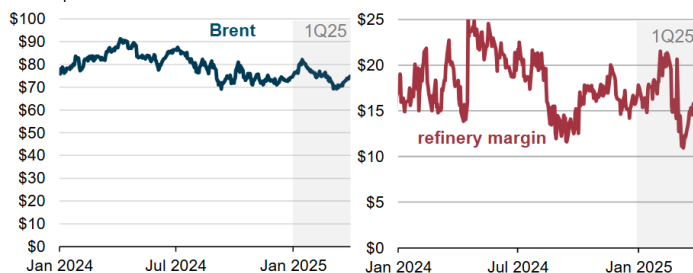
- In trading on May 5th, prices reached a low of \$1.93, which erased the previous low of \$1.94.
- The previous low was established back on April 9th.
- Indeed, the downtrend remains intact, as prices remain well below the 50-day moving average.
- The charts do not offer much support, as a lower low has not been formed since May 2023.



- In addition, prices remain below the \$2.00 psychological level.

Oil prices and refinery margins fell slightly in the first quarter of 2025

Daily Brent crude oil price and U.S. refinery margins
(Jan 1, 2024–Mar 31, 2025)
dollars per barrel



- Crude oil prices generally decreased while U.S. refinery margins initially increased before decreasing in the final month of the quarter.

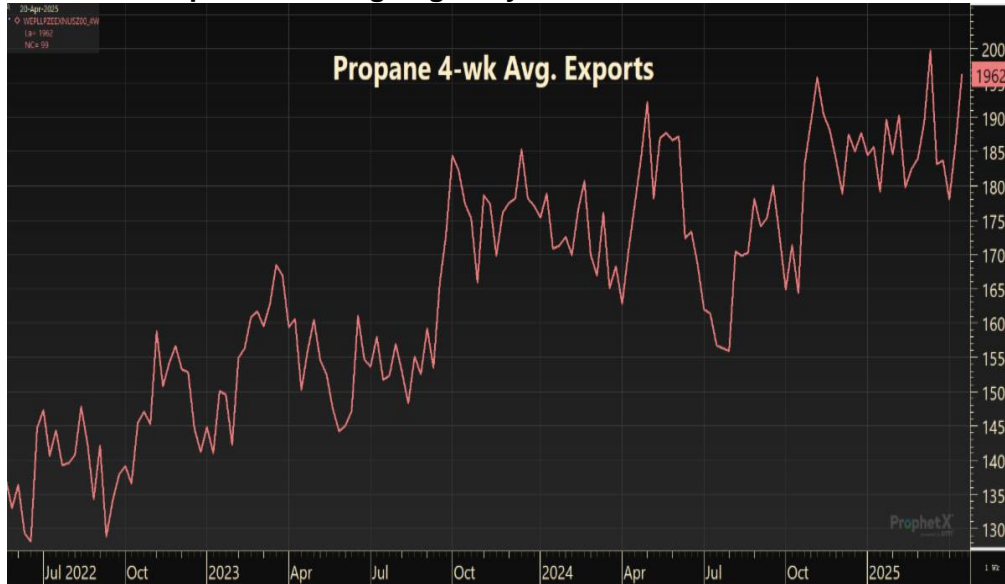
- After reaching a quarterly high of \$82 per barrel on January 15, crude oil prices generally declined through the end of the first quarter, settling at \$75.00.

- The EIA's preliminary world petroleum supply and demand estimates suggest global consumption outpaced production, which typically puts upward pressure on prices. Oil prices largely fell following

concerns surrounding future economic growth.

- According to the U.S. Bureau of Economic Analysis, U.S. GDP declined 0.3 percent in 1Q25.
- This marks the first economic contraction since 1Q22.
- Economic growth concerns weigh on oil prices because a decline in economic activity reduces demand for oil.
- U.S. refinery utilization started 2025 at 93% but fell below 90% beginning in mid-January, ending the quarter at 86%.
- Midwest utilization was particularly high, remaining above 90 percent throughout all but the last week of the quarter.
- West Coast utilization fell from 80 percent to 90 percent in January and February to below 75 percent in late March, partly due to an outage at PBF Energy's Torrance refinery as well as a major outage at the company's Martinex refinery, both in California.

US LP Exports are not going away



- Piggybacking on Gene's Midwest LP stocks update from Friday, part of the reason inventories are finding it difficult to build thus far is exports.
- This week's 4-week average reading of 1.962 million b/d, is the second highest mark, trailing only mid-March's 2M b/d.
- US LP production does continue to rise, climbing to a weekly record high last week to 2.852M b/d.
- The rise in production is still finding it difficult to keep pace with the product leaving the country.

- Demand from China in the foreseeable future remains the biggest question mark.

Why it matters: If China keeps a consistent pace of importing US LP, stocks will be harder to build, and prices are likely to escalate. However, if they reduce or cut off imports of US LP, the several million gap to last year's higher inventory could be made up and surpassed in a short period of time, softening market prices.