

Gateway FS, Inc.

Energy Market Update May 15, 2019

NYMEX Prices

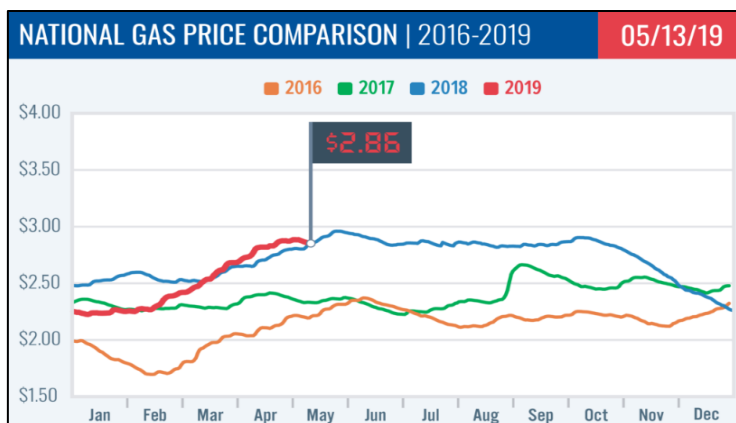
	Close	Wk. Change
June Crude Oil	\$62.02	-0.10
June Gasoline	\$2.0127	+0.0377
June Heating Oil	\$2.0863	+0.0301
June Natural Gas	\$2.601	-0.007

Market Comments: Energy markets settled higher today.

Energy prices settled higher after government data showed a surprise rise in U.S. crude inventories, though the increase was smaller than expected. U.S. stockpiles rose by 5.4 million barrels last week, compared to analyst expectations for a decrease of 800,000 barrels. API data suggested that inventories increased by 8.6 million barrels. Continued tensions in the Middle East overshadowed trade news and inventory numbers and drove prices higher throughout the day. The Dow rebounded and is up 170 points with an hour remaining in the trading day.

	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	+5.4	472.0	498	475	-1.1	225	237	230	+0.1	125.6	139	131
EST.	+4.700/-4.281				+1.000/-2.000				+1.000/-1.700			
Propane	Total 62.7 +2.7				Midwest 12.1 +0.6				Gulf 45.8 +1.6			
API's	Crude +8.600 Cushing +2.100				Gasoline -0.567				Distillates +2.200			

Gasoline prices are falling slowly across the country, pushing the national average down 3 cents on the week to \$2.86. Monday's average is 4 cents cheaper than last month and the same price as a year ago. The move to cheaper gas prices indicates that supply and demand are potentially leveling out. However, there are multiply factors that could push pump prices up in the coming weeks, including the impact of Chinese tariffs, weather, a major decline in inventory levels, an increase in demand, or the volume of travel during Memorial Day weekend.



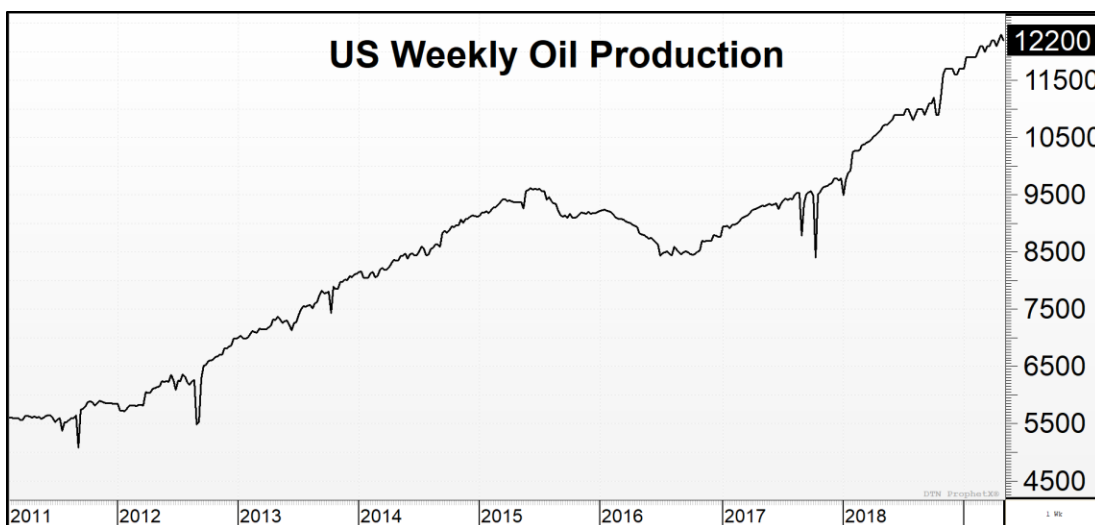
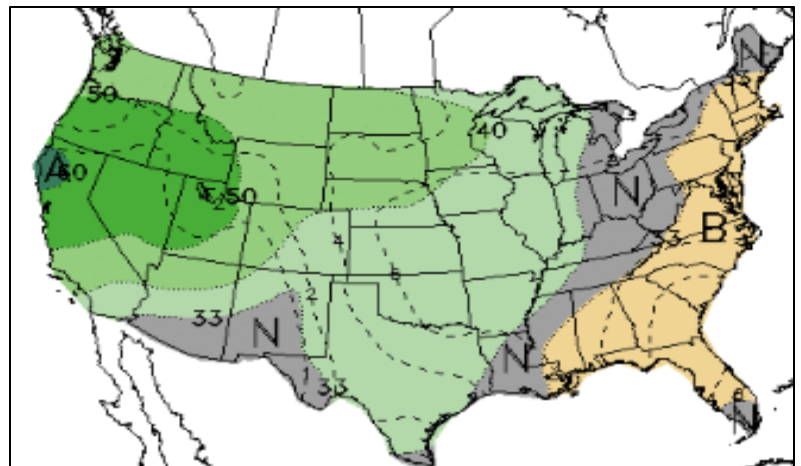
10 LARGEST YEARLY CHANGES IN GAS PRICES 05/13/19

1. California ▲0.38 PRICE: \$4.07	2. Arizona ▲0.20 PRICE: \$3.15	3. Nevada ▲0.20 PRICE: \$3.49	4. Ohio ▼0.18 PRICE: \$2.62	5. Delaware ▼0.16 PRICE: \$2.69
6. Washington ▲0.15 PRICE: \$3.53	7. Oregon ▲0.14 PRICE: \$3.42	8. Kentucky ▼0.14 PRICE: \$2.65	9. Michigan ▼0.12 PRICE: \$2.79	10. Alaska ▲0.11 PRICE: \$3.44

Corn Planted - Selected States				
[These 18 States planted 92% of the 2018 corn acreage]				
State	Week ending			2014-2018 Average
	May 12, 2018	May 5, 2019	May 12, 2019	
	(percent)	(percent)	(percent)	(percent)
Colorado	37	21	30	49
Illinois	88	10	11	82
Indiana	69	3	6	57
Iowa	61	36	48	76
Kansas	65	41	46	67
Kentucky	59	42	55	67
Michigan	31	3	5	34
Minnesota	36	6	21	65
Missouri	89	49	52	87
Nebraska	68	35	46	72
North Carolina	90	73	88	91
North Dakota	31	3	11	43
Ohio	50	2	4	47
Pennsylvania	27	17	26	38
South Dakota	19	-	4	54
Tennessee	83	65	79	87
Texas	82	70	75	78
Wisconsin	28	7	14	46
18 States	59	23	30	66

The weekly crop progress report was released on Monday afternoon and reported nationally 30 percent of the U.S. corn crop has been planted vs. the five year of 66 percent. Looking at individual states, Illinois has 11 percent of its corn crop planted vs. the five year average of 82 percent. Nationally, 9 percent of the U.S. soybean crop has been planted vs. the five year average of 29 percent.

The 8 to 14 day weather forecast looks slightly more promising, but far from ideal. The latest forecast is good from May 20th to May 26th. It appears as if a thin band in Indiana and Ohio could experience normal rainfall, while the vast majority of the U.S. is still forecasted to see above normal rainfall. However, it does look like temperatures might finally start to warm up.



The EIA is expecting U.S. production to average 12.3 million bpd in 2019, and 13.4 billion bpd in 2020. As U.S. crude oil production increases, our reliance on foreign oil continues to diminish. U.S. crude imports are much lower this year

than they were in 2018, and when compared to the last five years. Crude exports also continue to rise as production increases. Crude exports are up 25% from last year, and over 235% from 2017.