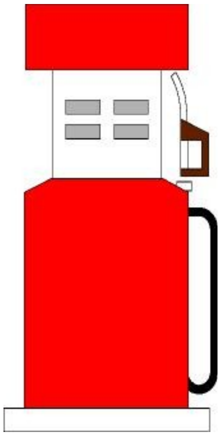


Gateway FS, Inc.

Energy Market Update November 20, 2019

NYMEX Prices

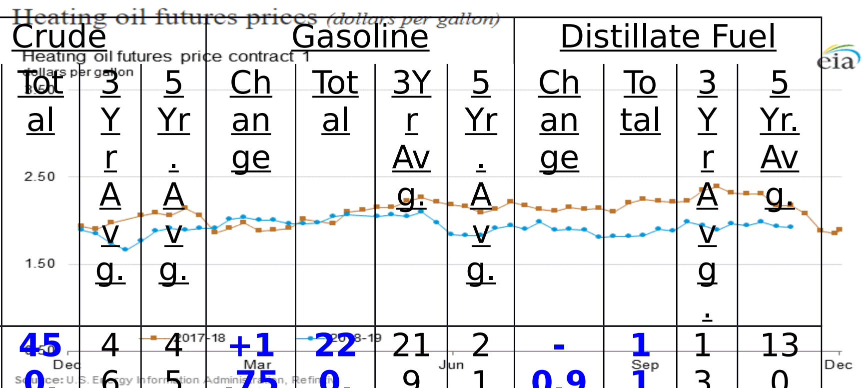
	Close	Wk. Change
December	**57.11**	**-0.03**
December	**1.6563**	**+0.0192**
December	**1.8921**	**-0.0218**
December	**2.560**	**-0.030**

Market Comments: Energy markets settled higher today.

Crude and gasoline futures settled 3% higher this afternoon, while distillate was up almost 2%. Smaller than expected U.S. inventory builds paired with escalating tensions in the Middle East helped drive prices higher. A U.S. aircraft carrier strike group is watching the Strait of Hormuz as tensions in the Gulf have risen since attacks on an oil tanker and a key Saudi energy plant this summer. Iranian citizens continue to protest over fuel price hikes which Iranian leaders have blamed on foreign enemies. The stock market is down half a percent this afternoon after setting new all-time highs yesterday.

Due to seasonal patterns, mid-November through mid-February is typically one of the best times of the year to contract your fuel needs and purchase in the spot market. Futures and rack basis typically decrease during this timeframe making it an optimal time to purchase fuel. The 10-cent (5%) sell-off in heating oil on Monday and Tuesday could be setting us up nicely for the same pattern to occur this year.

2019 heating oil futures prices have remained below 2018 prices the entire second half of the year, and yesterday’s settlement price was 20 cents below that of November 19, 2018. The 2018/2019 winter saw a low of $1.64, which raises the question, how low will prices go this winter?



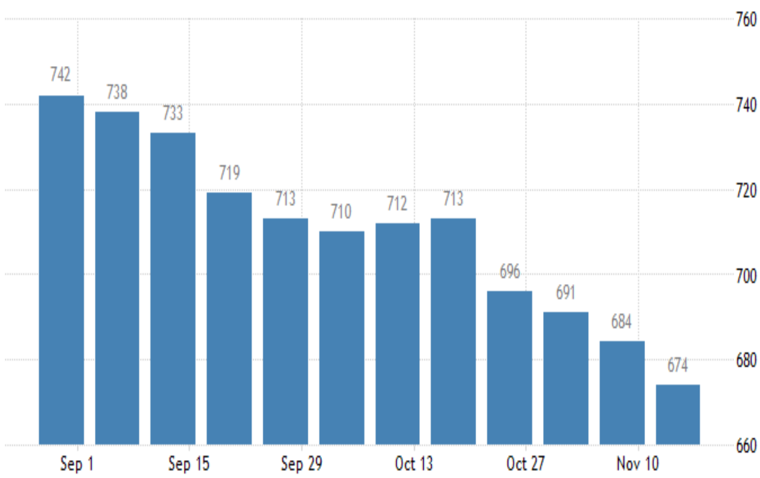
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3 Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3 Yr Avg.	5 Yr. Avg.
DOE	**+1.379**	**450.4**	462	451	**+1.756**	**220.8**	219	215	**-0.974**	**115.7**	132	130
EST.	+2.729/-1.500				+2.046/-0.200				+0.500/-2.000			
Propane	**Total -3.5 94.2**				**Midwest -1.4 23.4**				**Gulf -2.5 58.2**			
API's	Crude +5.954 Cushing -1.351				Gasoline +3.354				Distillates -2.190			

There are three important factors that could impact prices in the coming weeks. First, diesel inventory in the Midwest and East Coast are close to the lows we have seen over the past 20 years. With harvest not yet completed in the Midwest, and refinery efficiency at record lows on the East Coast, low inventory levels could lend some support to futures prices in the near term.

Second, the trade dispute between the U.S. and China that began 18 months ago continues to be the main driver in the energy markets. As the trade impasse continues to trudge on and tariffs continue to pile up, December 15 is an important date that market players will be monitoring closely. If a compromise is reached prior to December 15, futures prices may not test the low we saw last winter. However, if a deal is not completed before December 15, an additional round of 15% U.S. tariffs will be imposed on Chinese imports. This would be bearish on the economy and we would expect prices to decrease in the near term, possibly lower that what we saw last year.

Third, is OPEC's upcoming meeting on December 5-6 and what they will do with production levels. The current sentiment is an agreement will occur for a production cut increase at the meeting, although not all countries will not be on board. According to analysts, Russia appears unwilling to increase cuts but will more than likely extend the agreement. If OPEC does cut production as projected, expect some support for prices in the short term. However, with other countries increasing production at a rapid pace, OPEC does not have the same influence in the markets as they did in the past.

A developing story and one we will want to keep an extremely close eye on is news about 3,000 workers of Canadian National Railway, the country's largest railroad operator, went on strike on Tuesday after labor union Teamsters Canada said after both parties failed to resolve contract issues. We will have to wait and see how this could possibly affect the energy markets.



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increased to record levels in most shale basins. Year-to-date, the total number of active oil and gas rigs has averaged 961.