

Gateway FS, Inc.

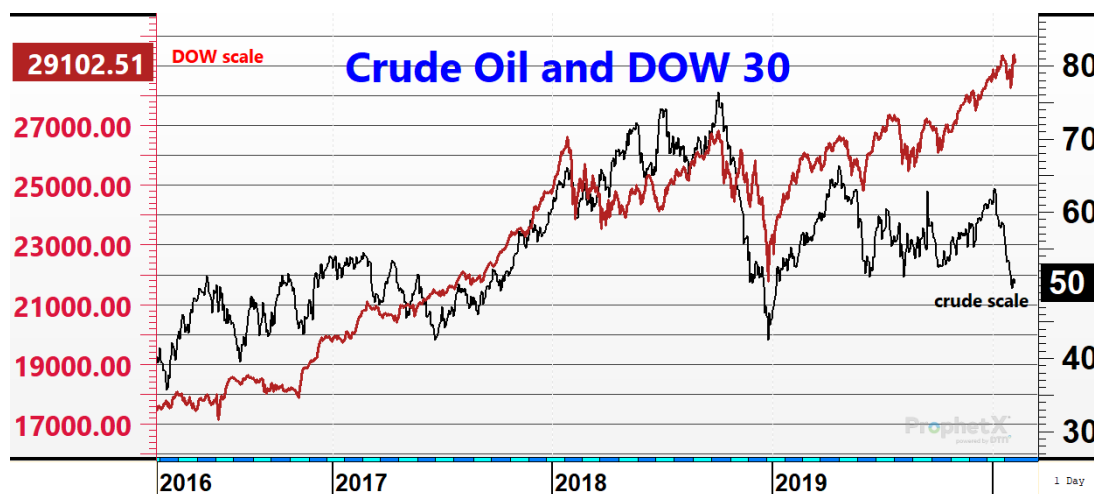
Energy Market Update February 12, 2020

NYMEX Prices

	Close	Wk. Change
March Crude Oil	51.46	+0.71
March Gasoline	1.5892	+0.103
March Heating Oil	1.6779	+0.0325
March Natural Gas	1.848	-0.014

Market Comments: : **When the dust settled on Wednesday afternoon the energy markets were sharply higher.** The number of new cases of the coronavirus in China dropped for a second straight day, according to health officials. This is giving the market a glimmer of hope that the worst is now behind them. In other news, the DOE report was a mixed bag, with a large build in crude oil stocks and draws in both gasoline and distillates. In addition, the propane industry showed a draw of 6 million barrels.

	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	+7.459	442.5	463	462	-0.095	261.1	256	253	-2.013	141.2	146	149
EST.	+4.567/+1.500				+2.000/-1.2000				+1.000/-2.345			
Propane	Total 77.3 -6.1				Midwest 15.4 -0.8				Gulf 53.3 -4.4			
API's	Crude +6.200 Cushing +1.300				Gasoline +1.100				Distillates -2.300			



The U.S. stock market and crude oil are on their separate paths for 2020 as stocks rocket mostly higher and crude lower. The DOW, NASDAQ and S&P all made new highs last Thursday only to register small losses on Friday.

Stocks remain overbought and could suffer more losses in the near-term. Crude oil continues to struggle around the \$50 mark with too much crude in storage and not enough demand. Economists are warning investors not to buy the dips in the stock market because of the coronavirus that is still working its way through the global economies.



The heating oil market topped on in early January at 2.12 and then slipped \$0.55 to the \$1.57 region following the outbreak of the coronavirus. Prices slipped below the previous low at \$1.64 that was established December 2018. The most recent market low was \$1.57, and you have to go all the way back to August 2017 to see the last time prices were this low.



U.S. energy companies added oil rigs for the third time in four weeks even though producers plan to reduce spending on new drilling for a second consecutive year. Companies added 1 rig in the week to February 7th, bringing the total count to 676, according to Baker Hughes. Even though the number of rigs drilling new wells declined last year, U.S. oil output continued to increase in part because the productivity of the remaining rigs has increased to record levels in most shale

basin.



Gas prices are about 16 cents higher than last year, but the price gap has been shrinking steadily. It's the smallest year-over-year difference seen in two months. Monday's national gas price average was \$2.43, which was four cents cheaper than last week and 16 cents cheaper than last month. On the week, gas prices are as much as nine cents cheaper in the Great Lakes and Central States region. Michigan (-9) saw the largest weekly decrease and Indiana (-1)

saw the smallest decrease in the region. Gasoline stocks are expected to increase this month and push gas prices even lower, with the potential for more states in the region selling gas under the \$2 per gallon mark.