

Gateway FS, Inc.

Energy Market Update April 17, 2019

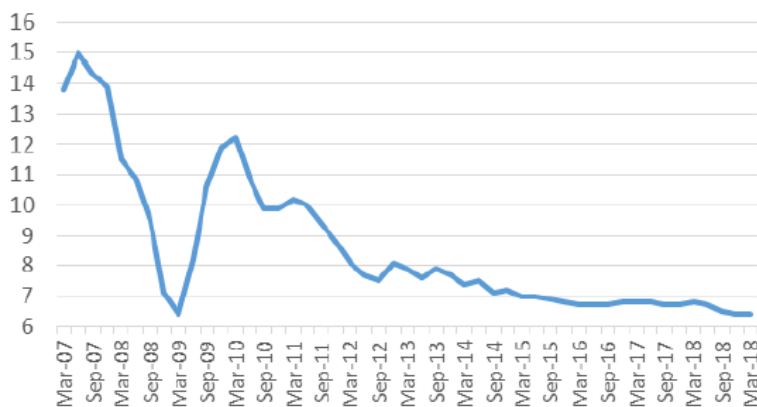
NYMEX Prices

	Close	Wk. Change
May Crude Oil	\$63.76	-.85
May Gasoline	\$2.0418	-.0274
May Heating Oil	\$2.0692	-.0184
May Natural Gas	\$2.515	+.445

Market Comments: Today's inventory report was a departure from the API report on Tuesday afternoon. Propane had a bigger-than-normal build and exports that were 1.118 mb/day. Propane production dropped slightly under the 2 mb/day mark for only the 2nd time this calendar year. Refinery runs were down overall, but all the slide was in the Rockies and West Coast. East Coast, Midwest and Gulf rates all improved. The oil complex has traded flat this week so far with crude oil in the \$63-64 range. Front month gasoline futures hopped over the \$2.00 mark for the first time since October of 2018. Diesel kept a steady range in between \$2.05 and \$2.09. Natural gas was the odd man out, as usual, falling 15 cents so far this week.

	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	-1.396	455.2	499	475	-1.174	228	238	230	-.326	127.7	146	136
EST.	+3.072/-4.000				+1.500/-3.500				+.529/-2.500			
Propane	Total +2.3 56.7				Midwest +3 9.4				Gulf +2.7 43.2			
API's	Crude -3.096 Cushing -1.561				Gasoline -3.561				Distillates +2.330			

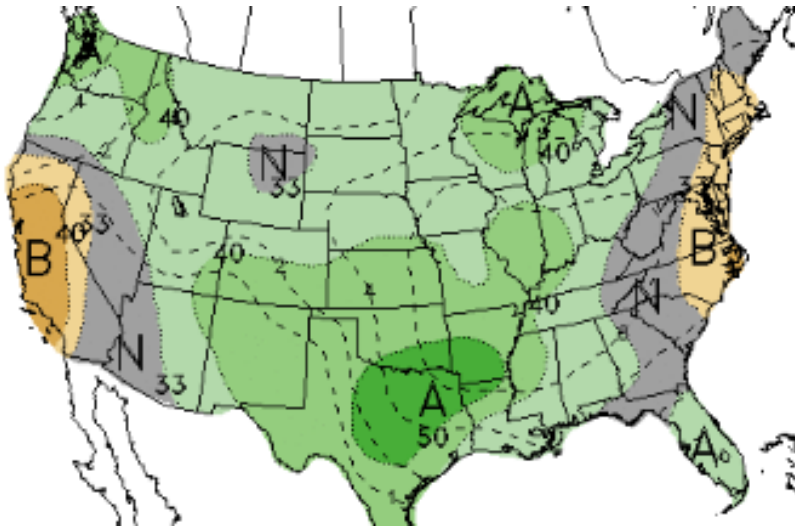
China GDP Y/Y (%)



China 1st quarter GDP stayed stable at 6.4% which was better than expected, although it looks unimpressive on the chart. Their power generation is up 5.4% compared to last year at this time, which is another positive for their economic activity.

U.S. destroyer hunts for North Korean oil smugglers powered by four engines similar to those used in Boeing 747s, the destroyer USS Milius raced to a site in East China Sea where vessels were suspected to secretly shifting oil to a tanker bound for North Korea.

The USDA weekly crop progress report was released this week and reported that 3 percent of the corn crop has been planted vs. the five year average of 5 percent. The majority of this is coming from Texas, Tennessee and Kentucky.



The 8 to 14 day weather forecast is not looking ideal for planting progress throughout the Midwest. The latest model, which is valid through April 29th is calling for above normal precipitation throughout much of the Midwest. However, it does appear as if temperatures are finally warming up.



The corn market remains extremely soft, especially when compared to where prices were trading at this time last year. The market recently traced out a fresh lower at \$3.55 and has had some limited upside momentum. For any significant

upside momentum prices need to penetrate the \$3.68 levels, which is the 50 percent retracement between the \$3.80 high and \$3.55 low

The EPA took the first step to revive part of a rule that could, if finalized, reveal the names of oil refineries which applied for exemptions from the nation's biofuel laws. The move towards releasing the names is seen as a win for the corn industry, which has been critical of the waiver program due to its lack of transparency. The EPA began releasing the number of waivers petitions it has received and granted back in 2017 but the names have been kept confidential so far.