

Gateway FS, Inc.

Energy Market Update April 1, 2020

NYMEX Prices

	Close	Wk. Change
May Crude Oil	20.47	-4.02
May Gasoline	0.5464	-0.0003
May Heating Oil	0.9367	-0.1611
May Natural Gas	1.5860	-0.073

Market Comments: When the dust settled on Wednesday afternoon the energy markets were all lower, especially the heating oil market which wrapped up 7 cents lower. The markets continue to struggle to get any upside momentum going as the number of coronavirus cases continue to grow exponentially. In addition, stocks of products are building as demand has slacked off significantly.

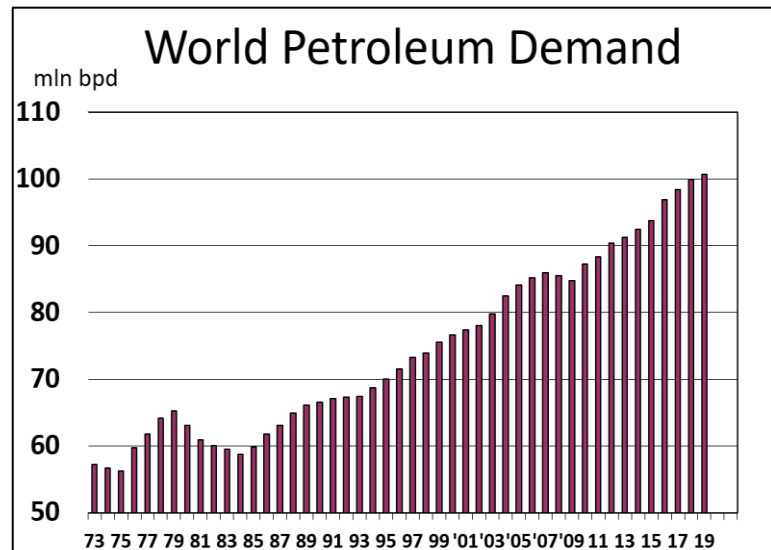
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	+13.833	469.2	469	481	+7.324	246.8	239	239	-2.194	122.2	137	140
EST.	-5.000/+4.500				-0.400/+3.000				-1.000/+2.000			
Propane	Total 64.7 -0.2				Midwest 10.8 +0.3				Gulf 48.1 -0.5			

Brent crude prices slid in Europe after it ended its worst quarter since 2008 due to the coronavirus pandemic and the Russia-Saudi oil price war, with investors increasingly worried that the flood of cheap oil coming from Riyadh and elsewhere will fill up storage and prompt production closures.

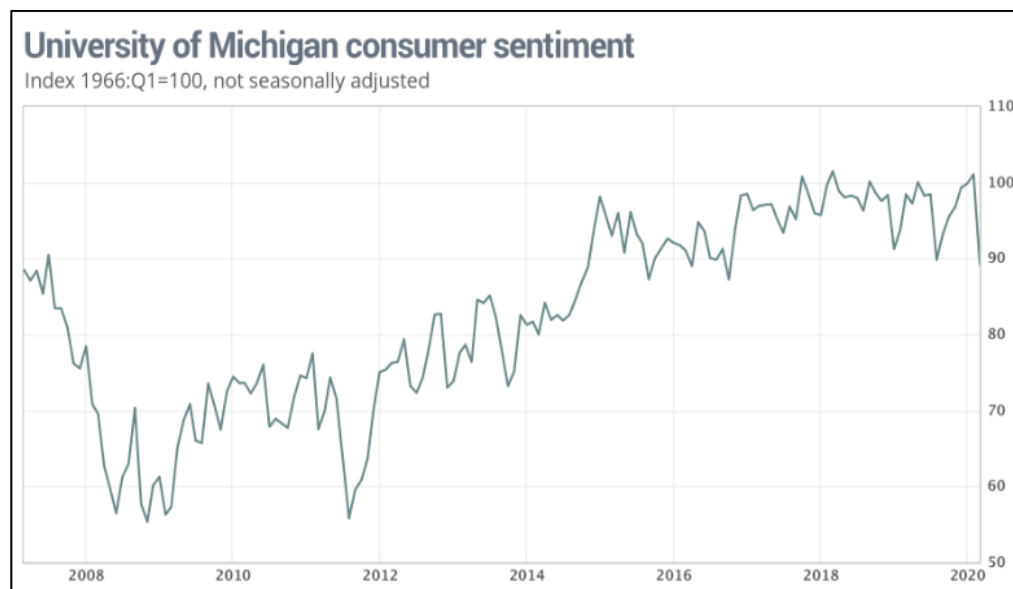


Since the start of the virus outbreak the corn market has lost approximately \$0.33 cents. Prices gained some additional downward momentum following Tuesday's USDA acreage report, which pegged corn acreage at 96.99 million, some 2.7 million acres above the average estimate.

The extended social distancing guidelines will not help an already struggling energy sector. With 3 billion people now on lockdown throughout the world, predictions over collapsing global demand continue to spiral downward. Investment Bank Goldman Sachs believes oil demand will drop by 26 million bpd, or 25%. While the International Energy Agency has projected global oil requirements could drop by as much as 20% at some stage this year. Global oil demand averaged around 100.5 million bpd in 2019.



Even after last week's market rebound, the technical picture continues to be bearish across the board. All key trend indicators are still pointing lower and all major indexes are still below their all respective moving averages outside of the 10-day, while the 20-day appears to be a key resistance level.



Consumers rapidly lost confidence in the economy towards the end of March as the coronavirus pandemic spread and the U.S. resorted to unprecedented tactics to slow it down. The results for the consumer sentiment index fell 89.1 in March from a preliminary 95.9 and

101.0 in the prior month. This is the weakest reading since October 2016 and it's likely to fall even further, possibly dropping to levels last seen in 2008 and 2009. The sentiment survey bottomed out at 55.3 in 2008 during the middle of the last downturn.