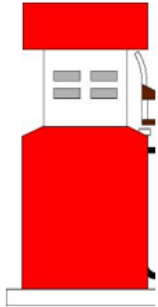


Gateway FS

Energy Market Update, April 17, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	May 24	82.69	-3.52
RBOB Gas	May 24	2.7287	-0.0529
NYH ULSD	May 24	2.5747	-0.1329
Nat. Gas	May 24	1.712	-0.173

Market Comments: Petroleum futures plunge in Wednesday trading.

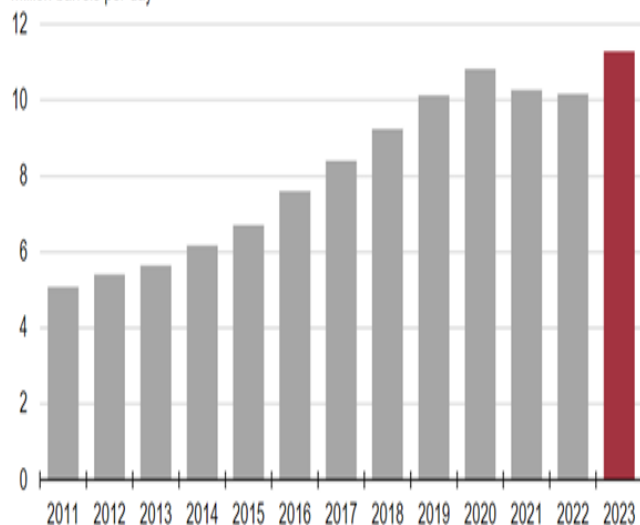
Oil and fuel prices posted steep losses in midweek trading with diesel prices closing at their lowest level in four months, while crude oil and gasoline prices finished the session at multi-week lows. Petroleum prices appeared to come under pressure initially as signs of rising crude oil stockpiles and growing economic uncertainty due to worries surrounding a delay in potential Fed rate cuts weighed on prices. Selling pressure in the markets appeared to accelerate just before the midday amid heavy liquidation selling pressure after key technical levels were broken in both crude oil and ULSD prices.

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	2.7	460.0	457	456	-1.2	227.4	236	236	-2.8	115.0	146	148
Est.	-2.200/+1.400				-1.600 /+1.300				-2.800/ +1.200			
Propane	Total 55.7 4.0				Midwest 12.5 0.1				Gulf Coast 35.5 3.4			
API	Crude 4.1 Cushing -0.2				Gasoline -2.5				Distillates -0.43			

Rising Chinese crude oil imports will help tighten global supplies and provide potential upside support to oil prices in the coming years.

China annual crude oil imports (2011–2023)

million barrels per day



Data source: China General Administration of Customs, as compiled by Bloomberg L.P.



- According to China's General Administration of Customs data, Chinese crude oil imports in 2023 jumped by more than 10% or ~1M bbls/d to a record 11.3M bbls/d.

- 2023 levels surpassed the previous record from 2020 by ~300,000 bbls/d.

- Rising demand by refiners to supply the country's increasing refining capacity to support the country's transportation fuel needs and produce feedstock for its growing petrochemical industry were cited as the primary factors behind the jump in oil imports.

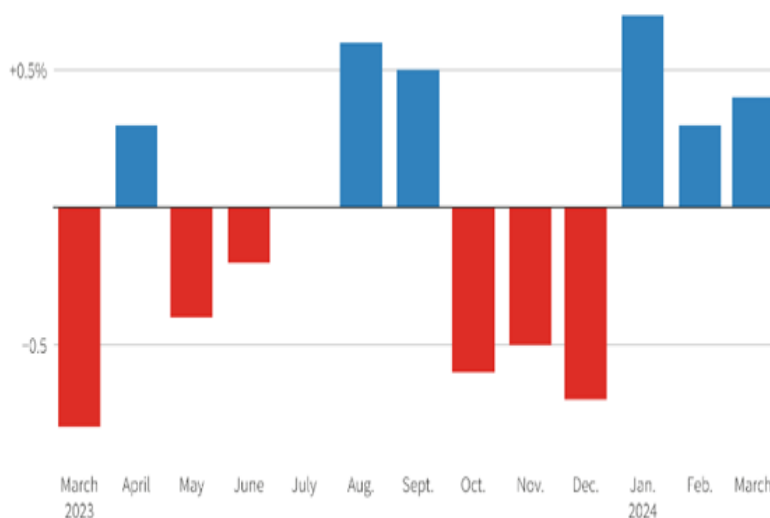
- Russia (2.1M bbls/d), Saudi Arabia (1.7M bbls/d), and Iraq (1.2M bbls/d) were the main sources of imports in 2023, while imports from the US sourced crude oil increased to ~300,000 bbls/d.

Increasing import prices could help boost inflation, delay Fed interest rate cuts, and depress petroleum prices in the coming months.

- According to the latest data from the Labor Dept.'s Bureau of Labor Statistics, import prices in March increased by 0.3%, up by 0.1% from the previous month's 0.3% increase.
- Import prices have now increased for three consecutive months.
- In the 12 months through March, import prices have rebounded 0.4%, marking the first YoY price increase since January 2023.
- Imported fuel prices increased 4.7% in March, while the cost of imported food pushed up 1.6%.

Monthly change in US Import Price Index

Import prices rose 0.4% in March.



Published April 12, 2024 at 12:52 PM GMT
Sources: Bureau of Labor Statistics, LSEG

Why it matters: Rising import costs can boost inflation, trigger higher levels of economic uncertainty, further delay prospective Fed interest rate cuts, and help depress oil and fuel prices during the remainder of 2024.

Petroleum products exported from the United States averaged a record 6.1 million barrels per day. Propane drove the growth in U.S. petroleum exports, offsetting decreases in gasoline and distillate exports.

- Growing 14 percent in 2023, U.S. propane exports reached 1.6 million b/d, establishing an annual record high.
- Propane exports comprised 26 percent of all U.S. petroleum products exports, more than any other petroleum product.
- Propane is consumed globally for space heating and is increasingly used as a petrochemical feedstock in East Asia.
- Propane consumption as a petrochemical feedstock has been driven by propylene production in East Asia.
- Propylene is a base chemical used to manufacture polypropylene, a fiber used to make car interiors, packaging, and personal protective equipment.

Annual U.S. propane exports by region (2015–2023)
million barrels per day

