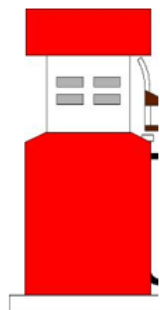


# Gateway FS

Energy Market Update, August 27, 2025

## NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Oct 25	64.15	+0.940
RBOB Gas	Sep 25	2.1489	+0.021
NYH ULSD	Sep 25	2.2953	+0.016
Nat. Gas	Sep 25	2.867	+0.115

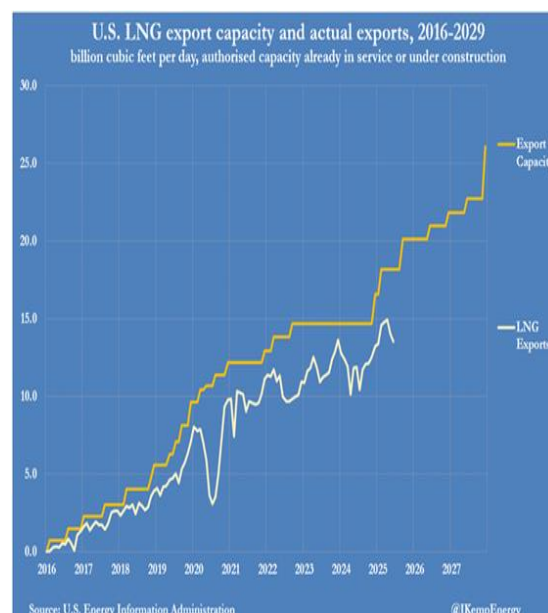
### Market News: **Petroleum futures ended lower on Wednesday**

Oil and fuel prices posted losses on Tuesday as the energy markets erased part of their previous session's gains, while the markets continued to move sideways in consolidating trading just above their early August lows. Petroleum prices appeared to turn lower in midweek trading as worries that OPEC+ could continue to increase production levels weighed on prices.

**Looking ahead:** The energy markets will likely be influenced by tomorrow's inventory data, the weekly jobless claims, and the Services PMI reports.

### **Increasing LNG (liquefied natural gas) exports will tighten supplies, help reduce inventories, and potentially provide a spark for natural gas prices in the coming years.**

- In August, US exports of LNG, according to financial firm LSEG data, climbed to a record 9.33M metric tons, up .23M tons or 2.5% from its previous record of 9.11m tons reached back in April.
- The ramping up of Venture Global's Plaquemines, the US's second largest export facility, appears to have spurred the new record level of LNG exports.
- US LNG exports to Europe continue to be the largest export destination area, with exports to the continent in August increasing to 6.16M tons, up nearly one million tons from July's levels.
- In addition, US LNG exports are projected to increase in the next fifteen months as the authorized export capacity already in commissioning or under construction comes online.
- LNG export capacity is projected, by the EIA, to increase from its current 15 Bcf/d by 10 Bcf/d or 66% to 25 Bcf/d by the end of 2027.



**Why it matters:** Increased LNG exports will likely bring with it increased natural gas production levels, lower storage levels, and potentially elevated NG prices, especially if they dovetail with extremely cold winter weather.

**Of note:** Increased natural gas production levels will likely also be accompanied by increased propane production levels which could help loosen LP supplies, elevate inventories, and potentially help depress propane prices in the coming years.

## Signs that elevated levels of speculator (money managers) longs continue to underpin resilient #2 diesel prices have emerged.



- According to the latest data from the US Commodity Trading Futures Commission (CFTC) money managers (speculators) last week increased their bullish positions (longs) in the NYMEX ULSD contracts by 1,128 or 2% to 50,378 long positions.

- Factors that have attracted new longs (buyers) in the diesel market over the course of the past several months are the low levels of distillate stockpiles, and concerns that upcoming Harvest and Winter heating season will boost demands.

- Of note, the number of long positions held by money managers has surged by nearly 6000 positions or 13% since the middle of August.

- Further, the net position in ULSD futures has held its net-long position mark since mid-May.

**Why it matters:** Elevated speculative position levels, whether long, short or net, can be a sign that if the right catalyst occurs (i.e., stockpiles changes and fluctuations in demands), speculators will look to exit their positions and trigger a potential price reversal.

In this case, an exit of long position could potentially drag #2 diesel prices lower in the coming months and provide a procurement opportunity for purchasers.

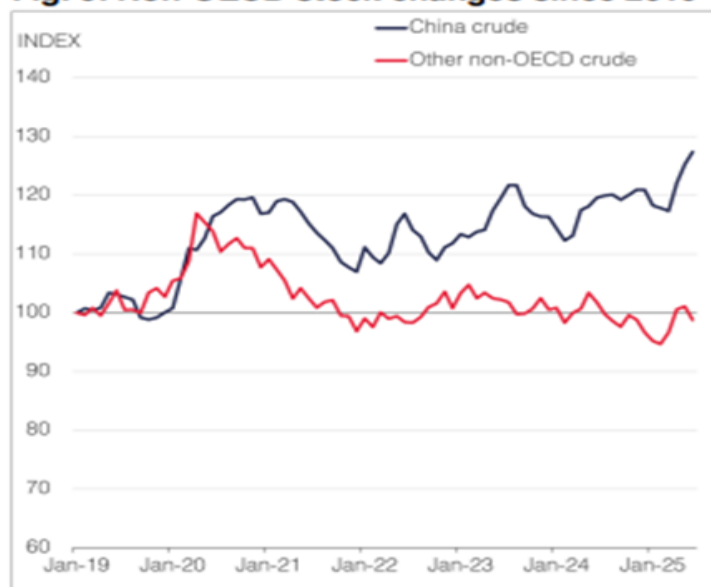
## China looks to be increasing their crude stocks

- While it can be difficult to gauge the changes in crude inventories in China in the absence of official reporting of crude and product inventories, implied estimates show stocks may be growing based on import data, refining runs and production.

- The drivers behind China's stock building can also be difficult to assess. Additionally, the timing of the release of their stocks can be hard to predict.

- When China increases their crude oil imports and builds their strategic and commercial stockpiles, it contributes to price volatility and can affect other markets.

**Fig. 5: Non-OECD stock changes since 2019**



Source: Kpler, OIES

**Why it matters:** China's stocks and crude oil purchases can have a significant impact on global oil prices due to their status as the world's largest importer.