



2829 Westown Parkway | Suite 350 | West Des Moines, IA 50266 Phone (515) 225-1334 | Fax (515) 225-8511 | Web [www.heartlandcoop.com](http://www.heartlandcoop.com)

### Market Outlook:

- One week from today (Thursday November 20, 2014) OPEC meets to discuss production levels. Some analysts think there will be a small slow down in barrels pumped per day to maintain income for smaller members. Currently the world is facing a supply of crude that out paces the demand for it. China, India and other "emerging economies" as well as some very large "mature economies" (Europe and Japan) are bogging down. Week economies have less money to spend on crude oil products, so the supply of crude continues to grow. Supply, globally, is also growing because new sources of crude oil from countries thought to be out of oil. Here is the dilemma facing OPEC; continue pumping at current levels and the price will continue to decline making profitability for some of the new suppliers a challenge and forcing this competition from the market. Lowering current production levels should result in higher crude oil prices providing much needed income for some of the OPEC members to continue government spending to keep their populaces from protesting but also allowing less efficient producers to stay in the market lowering over all market-share to all OPEC members. Less market-share will result in lower incomes for all OPEC members. Seems like this is a no win decision for OPEC. Best out come for the American consumer appears to be for OPEC to continue to pump at current levels and drive the prices lower.
- Propane looks to stay steady for the coming week. Supplies are still adequate in the cold areas of the US and demand is not as strong as in past years.

### Market News:

Crude, Gasoline and Distillate:

- **Keystone:** Much of what may be heard so far about the Keystone pipeline expansion has been negative. What Keystone XL will do is contribute millions in taxes, generate \$212 million in GDP, support 3,700 jobs in Montana alone and safely bring more Canadian and Bakken crude oil to markets where producers will receive the highest value for their product. It should also help in driving out riskier, higher-priced crudes from places like Venezuela, Russia and the Middle East.
- The bill to approve the Keystone XL pipeline was voted down by the U.S. Senate yesterday.
- A delegate from a smaller OPEC producer said oil output needs to be cut by 1 million barrels per day. It seems like further support for this action is gaining traction among members, but the jury is still out in regards to what Saudi Arabia's stance will be on the topic. OPEC meets on Nov. 27.
- News Tuesday showed that Saudi Arabia, the world's leader in oil exports shipped 6.722 million barrels per day (bpd) of crude in September, up 59,000 bpd from August exports.
- Of 13 currencies studied only one gained in value over the last year. The US Dollar gained almost 10% since last November. The next best performing currency was the Indian Rupee that was even over the proceeding twelve months. The worst is the Ukrainian Hryvnia which lost almost 50% since last November. For business sectors reliant on exports this information explains why things have gotten so tough lately.

Propane:

- The EIA reported a 100,000 barrel build in U.S. propane inventories, while Midwest inventories dropped only 300,000 barrels. The 5-year average for this reporting week called for a draw of over 400,000 barrels.

Ethanol:

- Ethanol production for the week ending November 14 averaged 970 thousand barrels per day. This is up 2.54% vs. last week and up 7.30% vs. last year. Total Ethanol production for the week was 6.79 million barrels. Stocks as of November 14 were 17.335 million barrels. This is down 2.09% vs. last week and up 14.93% vs. last year. Corn used in last week's production is estimated at 101.85 million bushels. This crop year's cumulative corn used for ethanol production for this crop year is 1.03 billion bushels. Corn use needs to average 99.404million bushels per week to meet this crop year's USDA estimate of 5.15billion bushels.

### **The Hightower Report**

*Futures Analysis & Forecasting*

Jeff Honkomp

Petroleum Sales and Marketing

Heartland Coop

Email: [jhonkomp@heartlandcoop.com](mailto:jhonkomp@heartlandcoop.com)

Office: (515) 309-9570

Fax: (515) 225-8511

Toll Free: (800) 513-3938

Cell: (515) 330-5286

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**EIA Report Data:**

Department of Energy (DOE) Weekly Inventory Data			Reporting Week	46	Week Ending	11/14/2014
<b>Oil Sector</b>	Current Inventories	Volume Change From Last Week	Analysts Expectations	Inventory Difference from 2013	Inventory Difference from 2012	Barrel Measurement
Crude Oil	388.5	2.6	+ 800,000	-7.4	6.6	Million Barrels
Cushing, OK Crude Oil	23.2	0.7	N/A	0.7	-22	Million Barrels
Gasoline	204.6	1.0	- 1.9	-4.3	4.2	Million Barrels
Distillates	114.8	-2.1	- 600,000	2.3	2	Million Barrels
Refinery Utilization %	91.2	1.1	N/A	0.0026	0.0037	Percent
			5-Year Average			
<b>Total U.S. Propane</b>	81.2	0.1	-648,800	22.8	8.5	Million Barrels
PADD-1 East Coast	6.2	0	-125,200	1.7	1.1	Million Barrels
PADD-2 Midwest	26.4	-0.3	-417,200	6.9	-0.2	Million Barrels
PADD-3 Gulf Coast	44.5	0.4	-63,400	13.2	6.6	Million Barrels
PADD-4 & 5 Rockies	4.0	0	N/A	1	1	Million Barrels

**Summary of Weekly Petroleum Data from the Energy Information Agency for the Week Ending November 14, 2014**

U.S. crude oil refinery inputs averaged over 15.9 million barrels per day during the week ending November 14, 2014, 161,000 barrels per day more than the previous week's average. Refineries operated at 91.2% of their operable capacity last week. Gasoline production increased last week, averaging over 9.6 million barrels per day. Distillate fuel production decreased last week, averaging about 4.8 million barrels per day.

U.S. crude oil imports averaged over 7.6 million barrels per day last week, up by 761,000 barrels per day from the previous week. Over the last four weeks, crude oil imports averaged about 7.1 million barrels per day, 6.9% below the same four-week period last year. Total motor gasoline imports (including both finished gasoline and gasoline blending components) last week averaged 426,000 barrels per day. Distillate fuel imports averaged 48,000 barrels per day last week.

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 2.6 million barrels from the previous week. At 381.1 million barrels, U.S. crude oil inventories are in the upper half of the average range for this time of year. Total motor gasoline inventories increased by 1.0 million barrels last week, and are in the middle of the average range. Both finished gasoline inventories and blending components inventories increased last week. Distillate fuel inventories decreased by 2.1 million barrels last week and are near the lower limit of the average range for this time of year. Propane/propylene inventories rose 0.1 million barrels last week and are well above the upper limit of the average range. Total commercial petroleum inventories remained unchanged from last week.

Total products supplied over the last four-week period averaged 19.8 million barrels per day, down by 2.3% from the same period last year. Over the last four weeks, motor gasoline product supplied averaged about 9.1 million barrels per day, down by 0.2% from the same period last year. Distillate fuel product supplied averaged about 3.8 million barrels per day over the last four weeks, down by 9.7% from the same period last year. Jet fuel product supplied is up 4.7% compared to the same four-week period last year.

Jeff Honkomp

Petroleum Sales and Marketing

Heartland Coop

Email: [jhonkomp@heartlandcoop.com](mailto:jhonkomp@heartlandcoop.com)

Office: (515) 309-9570

Fax: (515) 225-8511

Toll Free: (800) 513-3938

Cell: (515) 330-5286