

, Inc.

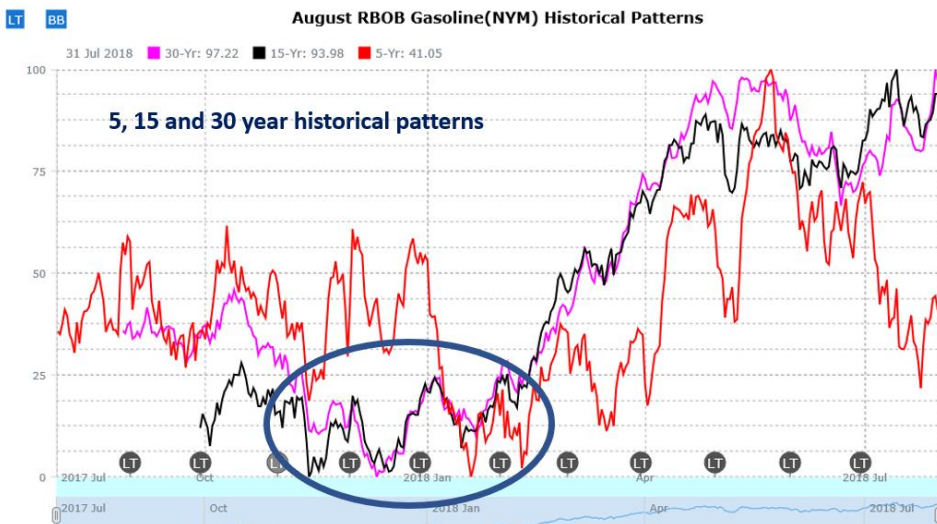
Energy Market Update April 24, 2019 NYMEX Prices

	Close	Wk. Change
June Crude Oil	\$65.79	+2.02
May Gasoline	\$2.1282	+0.0864
May Heating Oil	\$2.0970	+0.0278
May Natural Gas	\$2.464	-0.0051

Market Comments: : When the bell rang on Wednesday afternoon all the energy markets were in negative territory. Fundamental news in the market was thin, except for the DOE numbers that were released at 9:30 A.M. The numbers did not offer any great surprises, as they were close to the API numbers. Both gasoline and distillates posted draws and crude oil had a build. In addition, propane had a build of 1.1 million barrels.

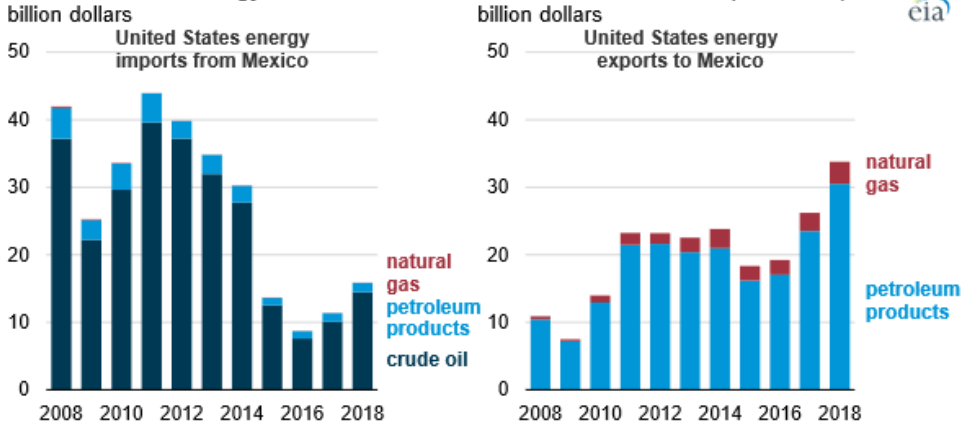
Syria is experiencing a worsening fuel shortage as a result of Western sanctions, bringing some major cities to a near standstill and causing some of the war's worst economic circumstances for President Bashar al-Assad's loyalists.

	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	+5.479	460.6	499	477	-2.129	225.8	239	231	-0.662	127.0	145	135
EST.	+4.328/-3.000				+2.000/-3.000				-0.500/-3.000			
Propane	Total +1.1 57.8				Midwest +0.5 9.9				Gulf +0.3 43.5			
API's	Crude +6.860 Cushing -0.400				Gasoline -1.820				Distillates -0.712			



The chart to the left shows the 5, 15 and 30 year historical patterns of the gasoline market. When all three lines convene in one area it suggests stronger validity. In this chart two of the lines come together starting in mid-November and then all three lines come together in late December.

Value of selected energy trade between Mexico and the United States (2008-2018)



Source: U.S. Energy Information Administration, based on U.S. Census Bureau data

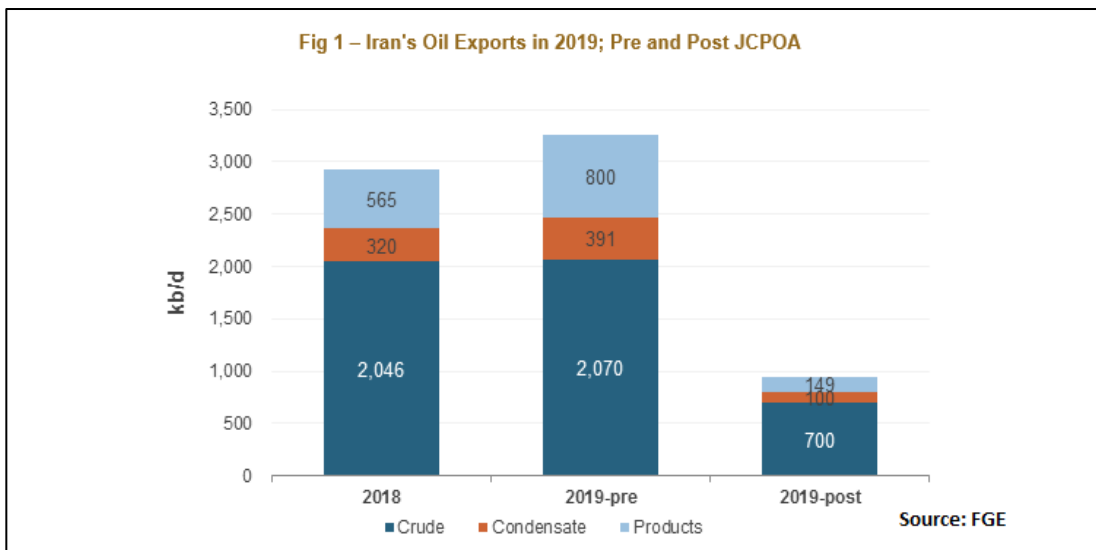


Canada and Mexico are two of the U.S.' biggest trading partners. The charts at left show the energy trading value that changes hands between the U.S. and Mexico. Energy products are 12% of the total value for all U.S. exports to Mexico and 5% of all U.S. imports from Mexico. Mexico exports crude oil to the U.S.

and the U.S. exports finished petroleum products to Mexico. The amount of crude that the U.S. receives from Mexico has declined over the last 10 years as their production has declined, but they remain the third largest exporter for the U.S., behind Canada and Saudi Arabia.

U.S. exports to Mexico have increased over the last 10 years with **U.S. gasoline making up ½ of Mexico's total gasoline consumption.** The U.S. and Mexico have a bilateral trade in LNG (liquified natural gas) via pipeline and vessel and Mexico is the 2nd largest destination for U.S. LNG, South Korea is the first.

The "new" NAFTA agreement, now called USCMA, was signed by the U.S., Canada and Mexico on November 2018, but none of the parties have ratified the document. President Trump has been unwilling to remove the steel and aluminum tariffs that were placed on the two countries last year, which has been a sticking point especially for Canada.



When the U.S. first reimposed sanctions on Iranian oil last November, eight countries were granted sanctions allowing them limited purchases for an additional six months. The eight buyers were China, India, Japan, South

Korea, Italy, Greece Turkey and Taiwan. If the U.S. obtains its goal of driving Iranian exports to zero, 1 million bpd of oil would be wiped from an already tight market. According to White House sources, the U.S. will partner with Iran's regional rivals Saudi Arabia and the United Arab Emirates to offset the drop in Iranian supplies. Iran's oil exports were greater than three million bpd before sanctions were announced last fall.