

, Inc.

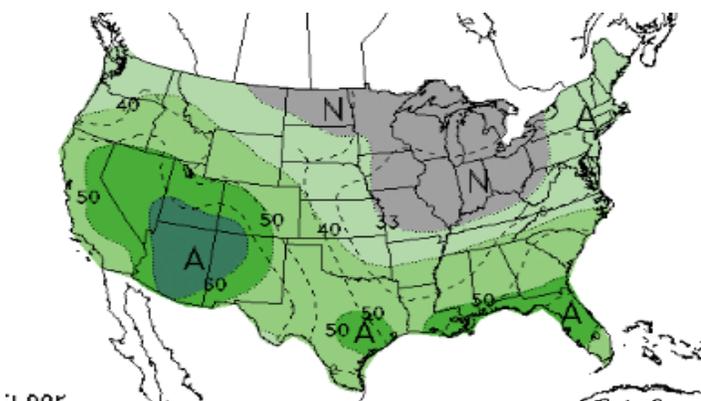
## Energy Market Update May 8, 2019 NYMEX Prices

	Close	Wk. Change
<b>June Crude Oil</b>	<b>\$62.12</b>	<b>-1.48</b>
<b>June Gasoline</b>	<b>\$1.9750</b>	<b>-0.0892</b>
<b>June Heating Oil</b>	<b>\$2.0562</b>	<b>-0.0380</b>
<b>June Natural Gas</b>	<b>\$2.608</b>	<b>+0.012</b>

**Market Comments:** The oil market staged a small recovery today after two days of sell-offs. Dollar has been quiet, and the stock market is also in more encouraging trade with the DOW presently through the 26,000 level. The Department of Energy showed the first crude stock draw in 3 weeks. The previous 6 of 7 weeks have been sizeable builds. Refined products had small draws. Propane exports stayed strong after setting a record last week, and crude production took a small setback to 12.2 mb/day. The world is watching for signs that the U.S. and China are still making progress towards a trade deal after disappointing news earlier in the week. New tariffs will be imposed if a deal isn't worked out tomorrow, says Trump.

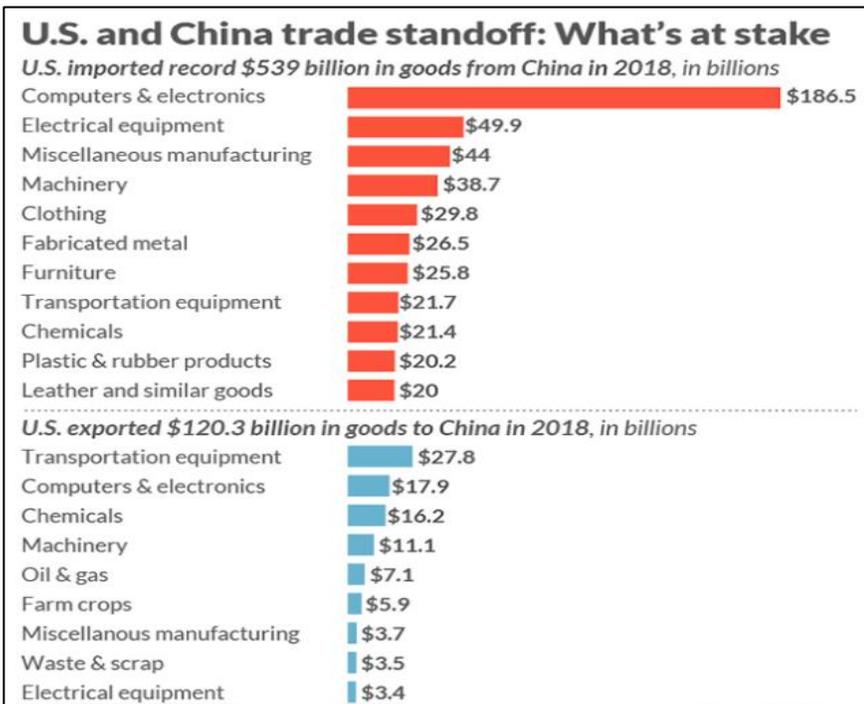
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	<b>-3.963</b>	<b>466.6</b>	501	477	<b>-.596</b>	<b>226.1</b>	240	232	<b>-.159</b>	<b>125.6</b>	140	133
EST.	+4.500/-4.700				+.200/-2.500				-.500/-23000			
Propane	<b>Total 60.0 +1.1</b>				<b>Midwest 11.5 +.7</b>				<b>Gulf 43.8 +.3</b>			
API's	Crude +2.800 Cushing +.618				Gasoline -2.833				Distillates -.834			

Today is the one-year anniversary of the U.S. withdrawing from the JCPOA nuclear agreement with Iran. This could be part of the reason why the U.S. has a fleet of warships rushing to the Arab Gulf. Iran said that they will give their European JCPOA partners 60 days to solve oil and banking issues and if that doesn't happen Iran could decide stop selling their enriched uranium and finish their Arak nuclear facility which was shut down as part of the nuclear deal.



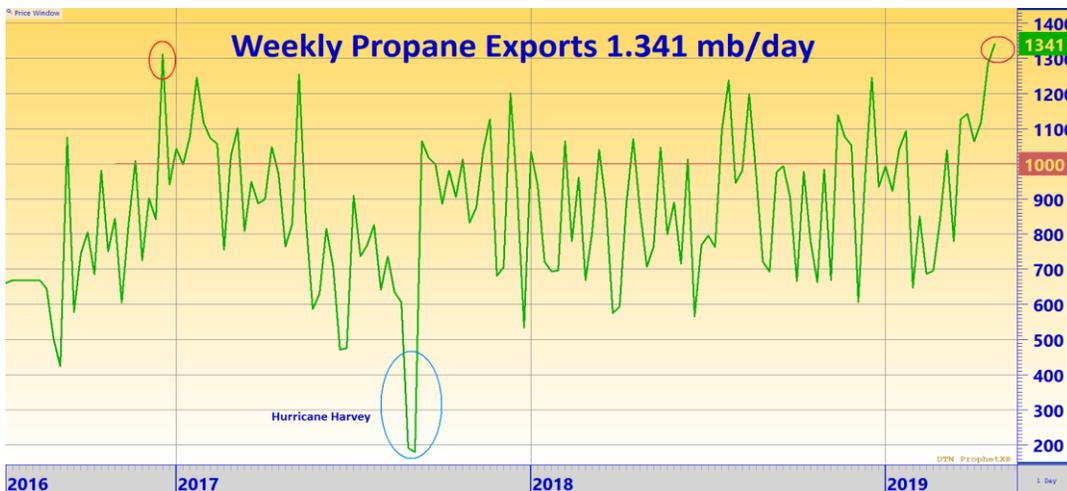
The 8 to 14 day weather forecast, which is valid through May 19<sup>th</sup> is finally calling for "normal" rainfall for much of the Midwest. It appears as if the temperatures throughout much of the U.S. is expected to be below normal. However, many of the producers would be glad to finally see the fields drying out.

The Chinese delegation is still planning on coming to the U.S. tomorrow and Friday for trade talks after President Trump threatened new tariffs on Sunday.



For months the White House has suggested a new trade agreement was getting closer, but several new tweets by the president have shown his frustrations with the pace of the negotiations. President Donald Trump said he would increase tariffs on \$200 billion in Chinese imports to 25 percent from 10 percent starting this Friday. He also threatened to apply 25 percent tariff to another \$325 billion in imports that have been left alone so far. The U.S. imported around \$539.5 billion in goods from China in 2018, making the U.S. a net

importer from China in most market segments except for agriculture. The U.S. shipped about \$120.3 billion in goods to China in 2018, which is down from almost \$120 billion in 2017, according to Census trade figures. The trade dispute has hurt the Chinese economy more than the U.S., but a long-lasting trade dispute between the two countries could result in lasting damage to the global economy.



U.S. propane exports that soared to 1.341 million barrels/day beating out the previous record from a week in late Dec. 2016. Exports in 2019 have been unremarkable until the last seven consecutive weeks.

Production for both natural gas and oil was up in every major shale area except the Anadarko region.

The U.S. economy added more jobs than expected in April as payrolls in the services area grew by the most in more than two years. Private payrolls grew by 275,000 last month, which is the largest increase since July, when they expanded by 284,000.