

, Inc.

Energy Market Update March 13, 2019 NYMEX Prices

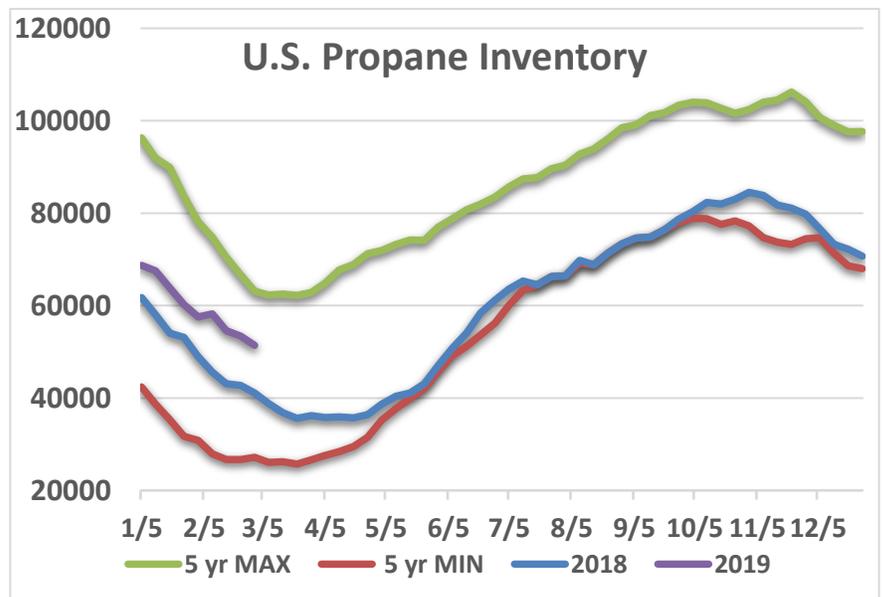
	Close	Wk. Change
April Crude Oil	\$58.26	+2.04
April Gasoline	\$1.7890	+0.0678
April Heating Oil	\$1.9921	-.0241
April Natural Gas	\$2.818	-.023

Market Comments: The U.S. has grounded Boeing 737 Max 8 aircraft. Front month crude oil closed over \$58 today for the first time in four months. Gasoline did the same following a mostly bullish inventory report. The U.S. crude surplus is only 8 million barrels now, and the gasoline surplus at 5 million barrels. While both gasoline and jet fuel demand were up for the week, diesel and propane demand were both lower. Propane exports hopped over the 1 million barrel/day mark, for the first time in six weeks.

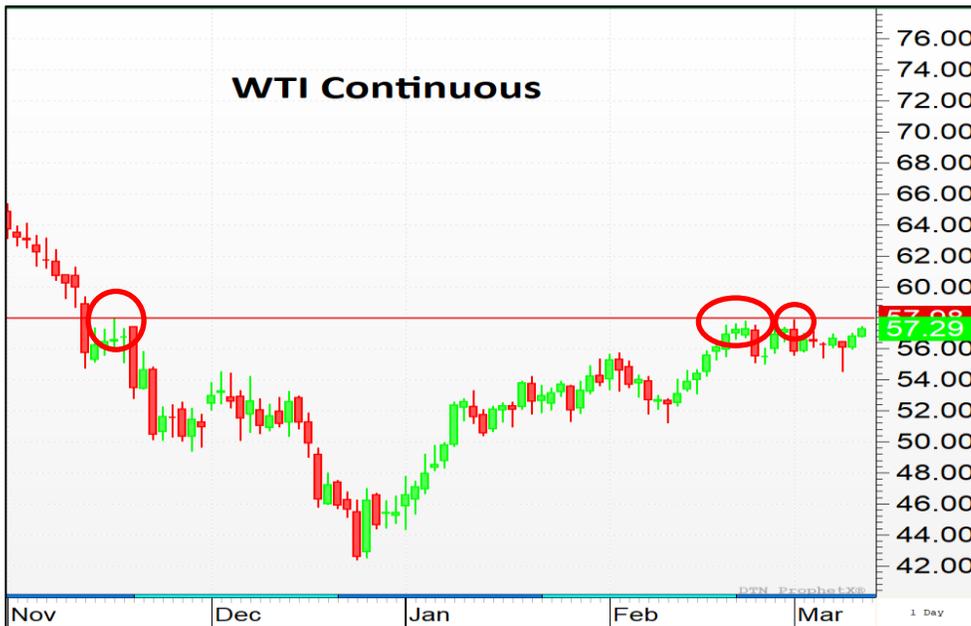
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	-3.826	449.1	494	460	-4.624	246.1	247	241	+3.83	136.4	151	138
EST.	+4.500/-2.700				-0.400/-5.000				-1.000/-2.500			
Propane	Total 50.2 -1.2				Midwest 9.3 -1.3				Gulf 36.2 -1.2			
API's	Crude -2.600 Cushing -1.100				Gasoline -5.800				Distillates +0.200			

U.S. propane inventory is 10.3 million barrels higher for this week than it was for the same week in 2018. Stocks are below the 5-year maximum line (green) by 11.7 million barrels, but above the 5-yr minimum line (red) by 24.2 million barrels.

Propane fundamentals are not bullish, and price should come down when consistently warm weather gets here.

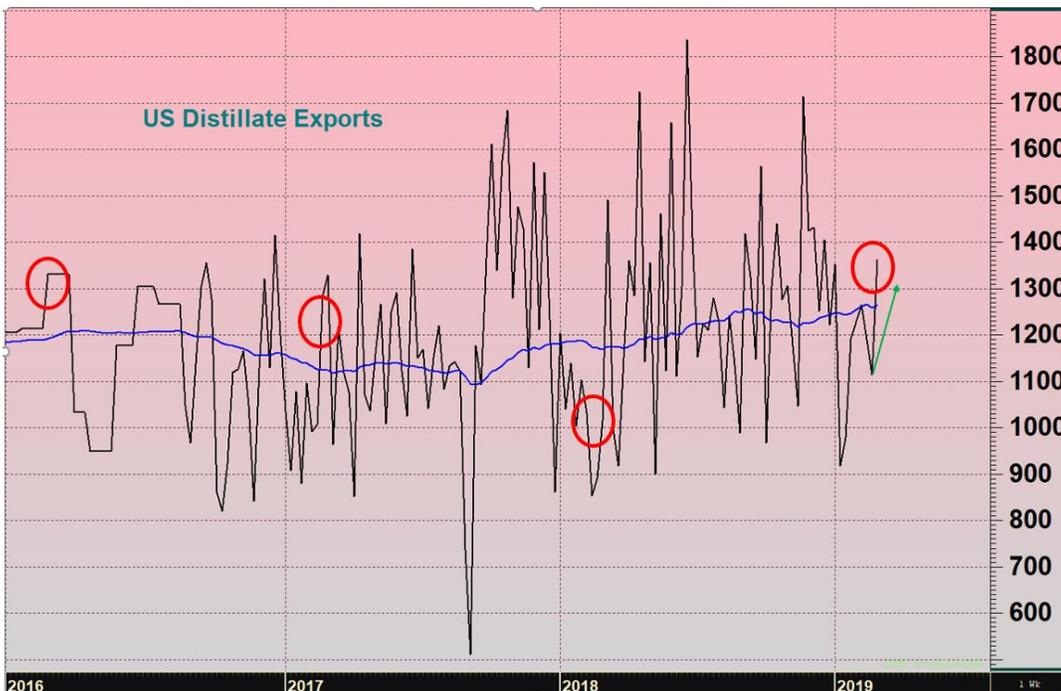


The U.S. soybean market remains extremely soft, as the trade doubts China will buy 10 million metric tons of soybeans from the US after Chinese customs data showed the country imported the "smallest amount" of soybean in four years in February.



Crude finally closed over \$58, after several attempts. \$57.96 was key resistance for front month WTI crude futures prices. As the chart indicates, the last time we saw crude at \$57.96 was on November 16 of last year, before prices decreased drastically. Since rebounding in early January, prices have approached \$57.96 several times, but have not yet broken through

to the upside, until today. We can reasonably expect crude prices to trend higher in the coming months. A similar situation can be found on the heating oil and gasoline charts. When comparing the same timeframe, the resistance level for heating oil is \$2.0533, whereas prices of gasoline broke through the resistance level of \$1.8249 yesterday before retreating back below. Gasoline also broke through today as well and made a four-month high.



Since the end of February U.S. distillate exports have been on the incline. The latest DOE report pegged exports at 1,362 thousand barrels per day vs. 1,015 thousand barrels per day this time last year and 1,330 thousand barrels two years ago.

China is the world's largest importer of crude oil, and there is a strong belief that they will be the largest importer of natural gas liquids by 2020. The U.S. would be an obvious winner in that it is the largest producer of both crude oil and natural gas liquids. The U.S. farm economy would also benefit from a ceasefire on tariffs. Less clear is the fate of Trump's major objectives regarding intellectual property theft, technology transfer, information warfare and the general distrust that has developed between top rivals.