

Energy Market Update, November 17, 2021 NYMEX Prices

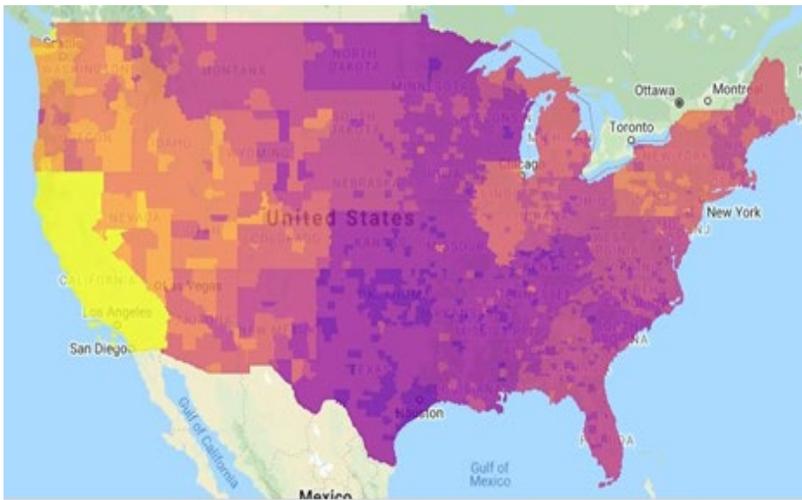
Product	Month	Close	Wk. Change
Crude Oil	Dec 21	78.36	-2.98
RBOB Gas	Dec 21	2.2803	-0.0169
NYH ULSD	Dec 21	2.3644	-0.0877
Nat. Gas	Dec 21	4.816	-0.064

Market Comments: Energy markets dropped much lower throughout the day as the threat of oversupply and emerging COVID cases in Europe flooded the market. These threats were enough to outweigh an over 2.7-million-barrel draw to crude and draws to both gasoline and diesel as reported by the EIA. All three sectors have broken through the 50-day moving average and are setting sights lower to the 100-day moving average next. Also of note today, President Biden spoke out against domestic oil and gas companies saying there was growing evidence of anti-consumer conduct. He has called on the Federal Trade Commission to take a thorough look into potential anti-competitive or illegal conduct in energy markets.

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	-2.1	433.0	447	444	-0.7	212.0	235	233	-0.8	123.7	148	150
Est.	-3.500 / +2.800				-2.000 / +1.500				-2.500 / +0.900			
Propane	Total 74.6		-0.2		Midwest 24.9		-0.2		Gulf Coast 35.7		-0.4	
API	Crude +0.66		Cushing -0.49		Gasoline -2.79				Distillates +0.11			

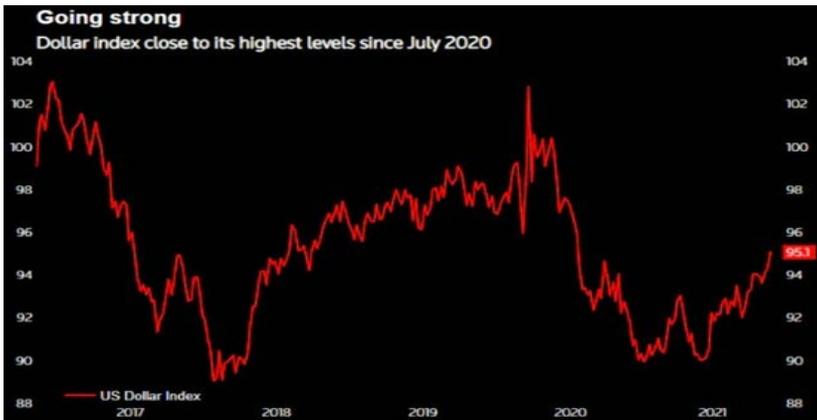
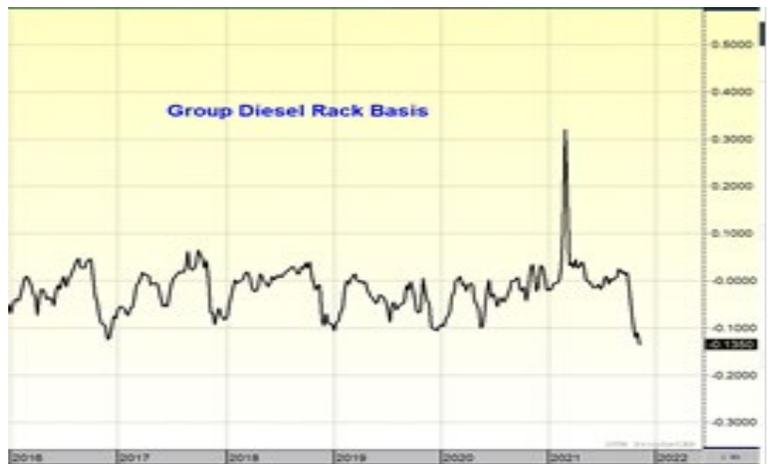
Crude continues to encounter choppy waters as the market has been range-bound between \$78 - \$85 a barrel for the last six weeks. However, products have encountered more selling pressure and moved lower in the market. Over the last three weeks, diesel prices have encountered resistance at the 20-day moving average. On the low side over the last few days has found support at the 50-day moving average and resistance at the 10-day average, which has formed a tighter range and similar directionless choppy movement to crude.





The cost of driving in the U.S. continues to increase as reflected in the cost of gasoline across the United States. California continues to hold the leading position for the most expensive gasoline, with the average price coming in at \$4.17/gallon. We still see a widespread in prices, as the lowest prices are in Texas/Oklahoma, where prices are approximately \$2.63, which is \$1.64 cheaper than California prices.

We are in the seasonal window when basis values soften after the rush of harvest passes. Current diesel basis levels in the group market are actually lower than we typically see for this time of year. On a typical year, basis will drift lower into the end of the year and then pick up some positive momentum after the first part of the new year.



The U.S. dollar climbed to a 16-month high on Monday while U.S. stocks slipped in midday trading after a strong opening. The dollar index, which measures the currency against six peers, hit 95.420 on Monday, its highest since July 2020.

The EIA is forecasting that crude oil prices will start declining in November 2021 and will decline thru 2022. They also expect that the price of WTI will fall from an average of \$76/b in January 2022 to \$62/b in December and that the price of Brent will fall from \$79/b in January to \$66/b in December.

