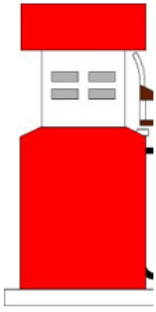


Energy Market Update, January 29, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Mar 25	72.62	-2.82
RBOB Gas	Feb 25	2.0357	-0.0221
NYH ULSD	Feb 25	2.4540	-0.0302
Nat. Gas	Feb 25	3.535	-0.425

Market Comments: Petroleum futures were mixed on Wednesday.

Oil's dip was the most significant, down more than 1% at the close. Crude's move down was directed by weekly inventory numbers gaining 3.5 million barrels, the first build to WTI crude since mid-November. Also weighing on prices was the renewed flow of Libyan oil exports after a brief stoppage due to political protests.

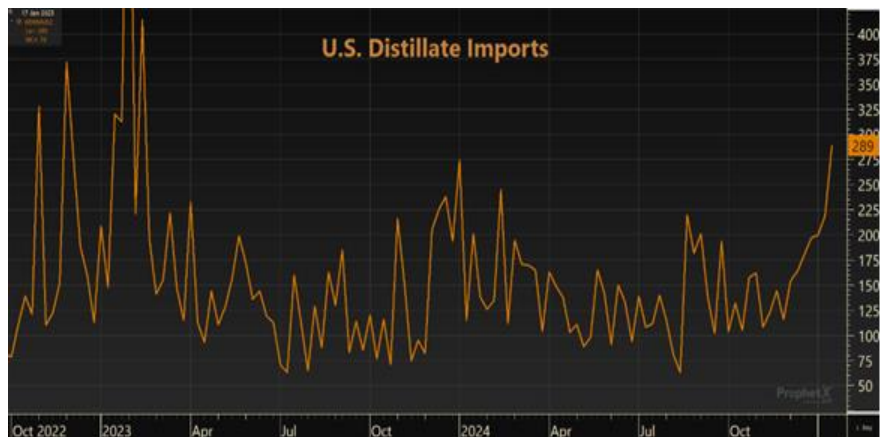
Unsurprisingly, Fed officials chose to keep current rates unchanged at 4.5%, signifying their intent to wait for economic conditions to evolve under the new White House administration.

The biggest shock on weekly DOE data came from propane inventories down 7.9 million barrels from the week prior, the most significant draw on LP inventories in a year.

	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	3.5	415.1	430	447	3.0	248.9	224	230	-5.0	124.0	120	127
Est.	+1.500 / -3.800				+2.500 / -3.000				+1.900 / -3.000			
Propane	Total		66.2	-7.9	Midwest		16.2	-3.2	Gulf Coast		41.5	-3.8
API	Crude		2.86	Cushing	Gasoline		1.89	Distillates		-3.8		

🚀 Distillate imports rise to 2-year high

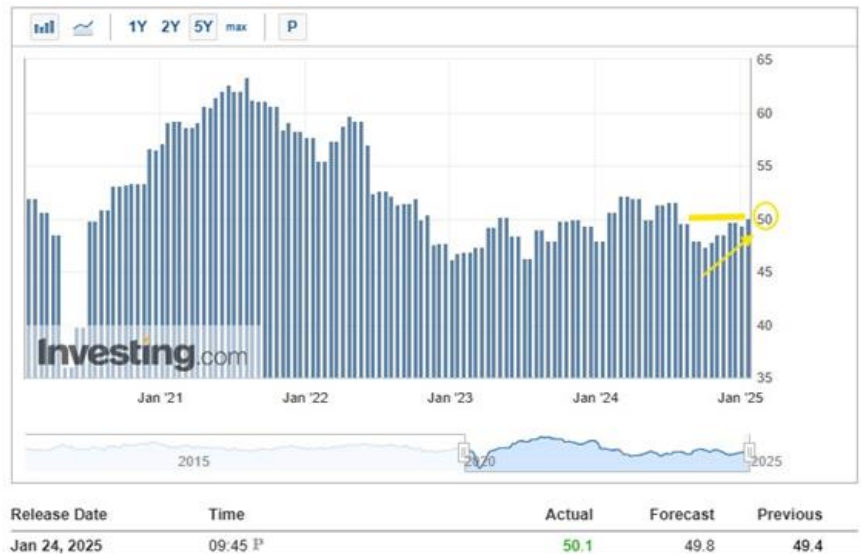
- In last couple weeks, US distillate imports have risen nearly 100,000 bbl per day.
- Weekly US demand has been on the rise the last couple weeks, while exports have been trending down.
- US refinery utilization rates have dropped more than 7% the last couple weeks, due mostly to below average temps and unseasonal weather conditions along the Gulf Coast.



Why it matters: Relying on external energy sources is important at times of stress to the US refining system. Even with distillate imports climbing, distillate inventories still declined 3 million barrels last week, but the blow of reduced run rates was not felt as much because of higher distillate imports. This is an example of why it is important to keep established trade partners even as the US wants to be more energy independent.

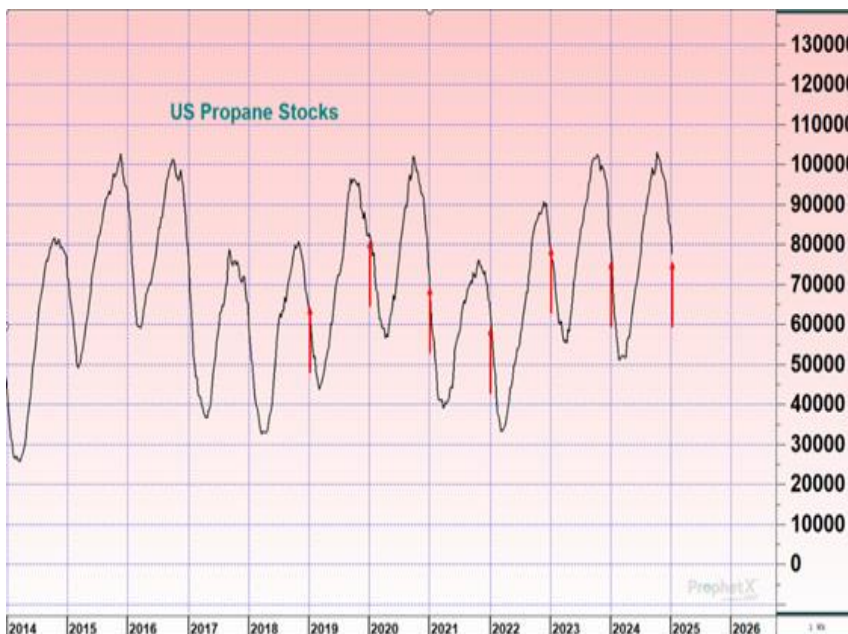
🏭 Manufacturing Purchasing Managers' Index (PMI) higher

- Services and manufacturing PMI data was released on Friday and had mixed results, with activity in the services sector falling and the manufacturing sector gaining. Overall, the U.S. composite PMI Output Index fell to 52.4 for January, which was the lowest level since April 2024 and down from December
- Services fell from 56.8 to 52.8, but on the bright side, manufacturing rose from 49.4 to 50.1 from December to January.
- The manufacturing PMI jumped the key 50 line, indicating expansion in the sector.



The higher-than-expected reading of 50.1 for manufacturing PMI, when 49.8 was forecast, should be taken as a positive signal that could be bullish for energy demand, particularly distillates.

U.S. propane stocks



- The propane industry has dominated the energy complex's attention following the cold snap in several regions across the U.S.
- Looking back over the past several years, as a reference point, supplies have been running very similarly to previous years.
- The only year we saw lower inventory levels was back in 2022.
- The most significant influence in the future will be the weather forecast for the remaining winter months. LP draws were 7.9 million bbls. this week.