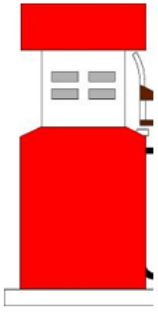


Energy Market Update, October 23, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Dec 24	70.77	+0.95
RBOB Gas	Nov 24	2.0414	+0.0011
NYH ULSD	Nov 24	2.2216	+0.0469
Nat. Gas	Nov 24	2.342	-0.025

Market Comments: Petroleum futures fall Wednesday after two days of gains

Oil and fuel prices turned lower again today following higher sessions to start the week after the API and DOE data showed an increase to crude stockpiles this week. While the 5.5-million-barrel addition to crude is bearish, inventories are still 4% below the five-year average.

Weekly Petroleum Status Report

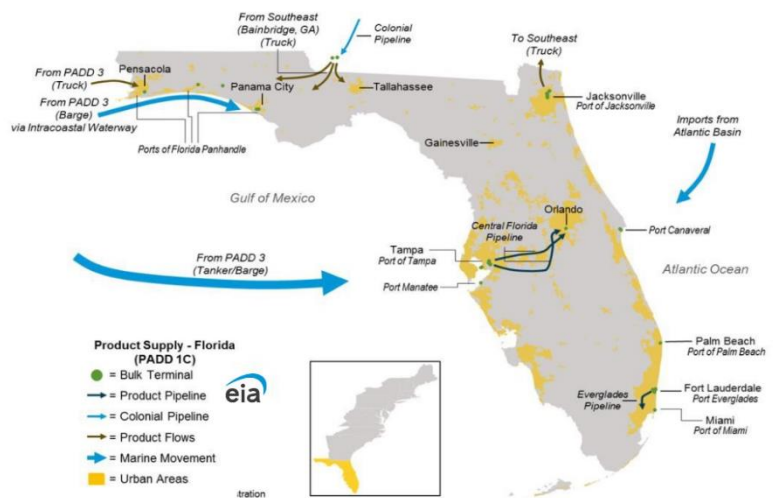
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	5.5	426.0	457	456	0.9	213.6	236	236	-1.1	113.8	146	148
Est.	+5.100/-2.400				+1.500/-3.900				+2.100/-3.200			
Propane	Total 101.8 -1.4				Midwest 28.5 -0.2				Gulf Coast 59.4 -1.0			
API	Crude 1.6		Cushing -0.2		Gasoline -2.0				Distillates -1.5			

Gasoline stocks also rose this week following the increased hurricane induced demand, while distillates fell as we are in the heavy ag demand season for diesel fuel usage.

Florida's unique energy infrastructure

- No connection exists to refineries and pipelines in neighboring states to supply the region.
- Fuel is delivered to coastal ports via ship from US and foreign locations, while northern state locations are supplied via truck transport.
- Port Tampa Bay handles almost 50% of Florida's petroleum supplied to the state as the area has been a focus because of Hurricane Milton's landfall.
- Fortunately, only minor dock damage occurred, but there were significant effects to roads, structures, and loss of power that has slowed resupply to locations.

Florida petroleum product supply movements, as of October 2024



Data source: U.S. Energy Information Administration, East Coast and Gulf Coast Transportation Fuels Markets

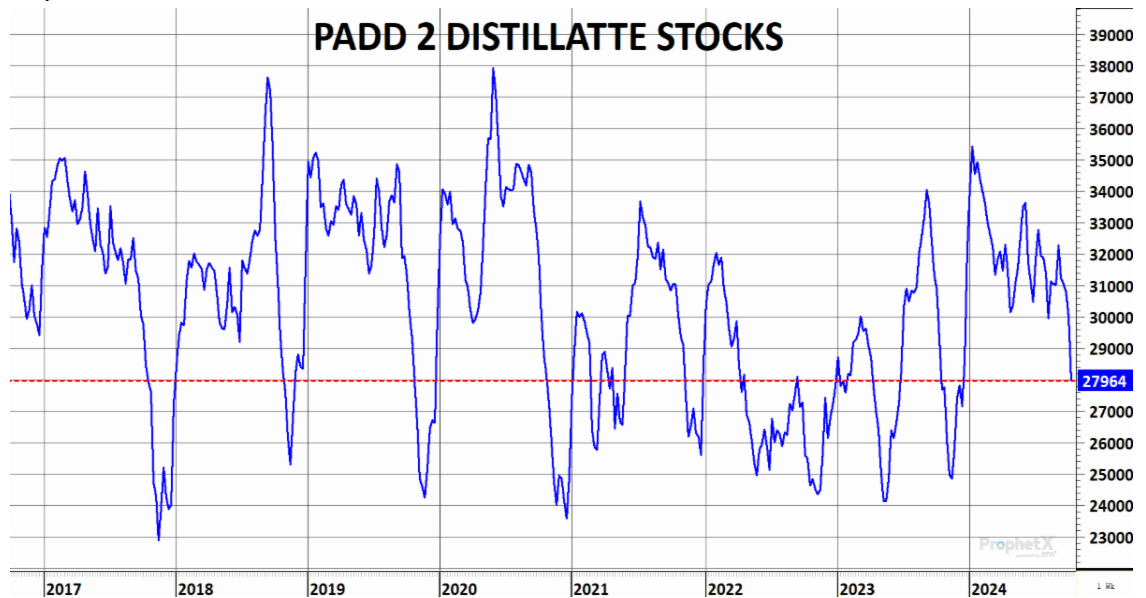
Why it matters: While port delivery locations survived recent hurricanes mostly unscathed, the map features below show the complexity of keeping the state supplied. Even tropical systems that avoid the Texas-Louisiana petroleum production heavy region can create bottlenecks and disrupt the flow of product to other

Falling Midwest (PADD 2) distillate inventories could be an indicator of tightening supplies and potentially provide a boost to diesel prices in the coming months.

- Last week, the DOE reported Midwest distillate stockpiles dropped by two million bbls or nearly 7% to a 10-month low at 28M bbls (-4.6% vs. five-year average).
- The drop was an eighth weekly decline out of the past nine weeks.
- Inventories have now dropped by nearly 7.5M bbls or 21% from their 2024 high back in early January.
- In addition, total US distillate inventories have now dropped to within 10,000 bbls or less than to 1% of being at their lowest level this year.

Why it matters:

Decreasing Midwest distillate inventories point to a tightening supply picture that could help hold distillate prices above their NYMEX prompt month multi-year lows just above \$2.00 reached back in early September and potentially help to elevate diesel prices during the remainder of this year and first part of 2025 (Winter heating season).



Record U.S. oil production

The DOE reported in last week's data, the U.S. oil production came in at a record **13.5 million barrels per day**. This is bearish for oil and fuel prices in the face of decreased demand, particularly from China.

