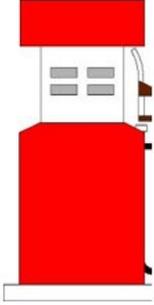


Energy Market Update, December 18, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Jan 25	70.58	+0.29
RBOB Gas	Jan 25	1.9428	-0.0430
NYH ULSD	Jan 25	2.2550	+0.0317
Nat. Gas	Jan 25	3.374	-0.004

Market Comments: Petroleum futures settled higher on Wednesday.

On Wednesday, the central focus in the market was the DOE numbers, which were released mid-morning and showed draws in crude oil and distillates, while gasoline posted a decent build. In addition, propane stocks were drawn down by 3 million barrels, which should not have been a surprise considering the cooler temperatures in early December.

Also, the trade was anxiously awaiting the Federal Reserve decision, which just came out at 1 PM today. They agreed to cut interest rates by a quarter-point but signaled more significant doubt over how much and how fast it would reduce going forward—the latest reduction approved by 11 of 12 Fed voters.

	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	-0.9	421.0	434	449	2.3	222.0	219	224	-3.2	118.2	115	121
Est.	-3.000/+2.600				-2.000/+3.700				-3.000/+3.000			
Propane	Total		90.1	-3.0	Midwest		24.3	-1.4	Gulf Coast		52.9	-0.4
API	Crude	-4.7	Cushing	0.0	Gasoline		2.4		Distillates 0.7			

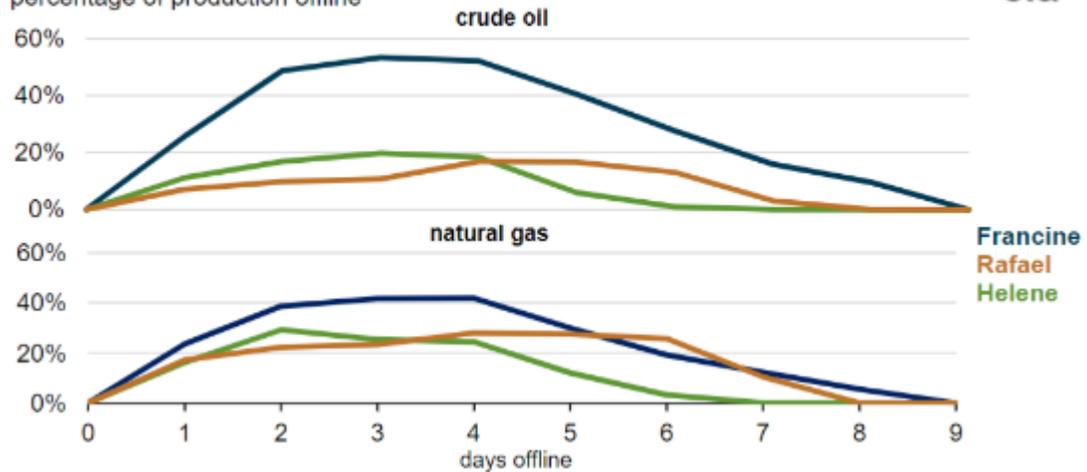


Average gasoline prices across the U.S.

- U.S. gasoline prices have come well off their highs established in the late spring and early summer months.
- For example, Chicago gasoline peaked at \$4.39 in late July, and currently, prices are trading at the \$3.28 region, which is a decline of \$1.11.

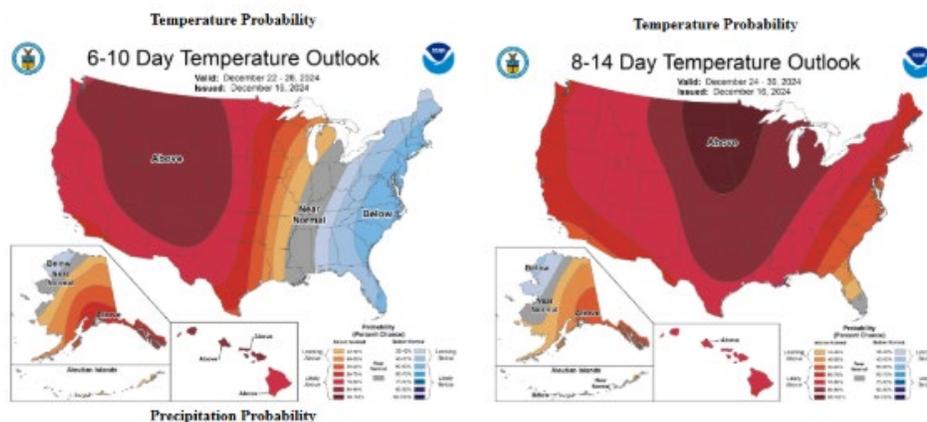
- Looking back to gasoline prices in December of 2023, they are trading near these same levels.
- Last year, prices dipped in December and then steadily increased going into the spring months.

U.S. Gulf of Mexico energy production brought offline by hurricanes in 2024
percentage of production offline



Above-average hurricane activity disrupted U.S. energy infrastructure in 2024.

- The 2024 Atlantic hurricane season, which ran from June 1 through November 30, showcased above-average activity, with more named storms and hurricanes than usual, including several that disrupted U.S. energy infrastructure.
- Several of the disturbances occurred on the Gulf Coast and in the Southeast.
- The energy impacts of hurricanes this week's season were most notable in electricity markets.
- However, Hurricanes Francine, Helene, and Rafael forced some oil and natural gas production from fields in the Gulf of Mexico to be shut in.
- NOAA reported 18 named storms in 2024; 11 had wind speeds of 74 mph or more, classifying them as hurricanes.



Distillate prices could be supported by the NE temperature outlook

- NOAA's latest 8-14 day temperature outlook, released yesterday, is showing a warming trend that is much above normal, which doesn't bode well for heating demand.
- However, shorter term, below normal temperatures in the Eastern US may offer some support for distillates, as the majority of the heating oil consumed in the United States is consumed in the Northeast, particularly in New England.