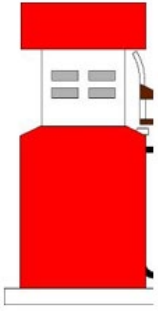


Energy Market Update, September 4, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Oct 24	69.20	-5.32
RBOB Gas	Oct 24	1.9618	-0.2530
NYH ULSD	Oct 24	2.1575	-0.0716
Nat. Gas	Oct 24	2.145	+0.048

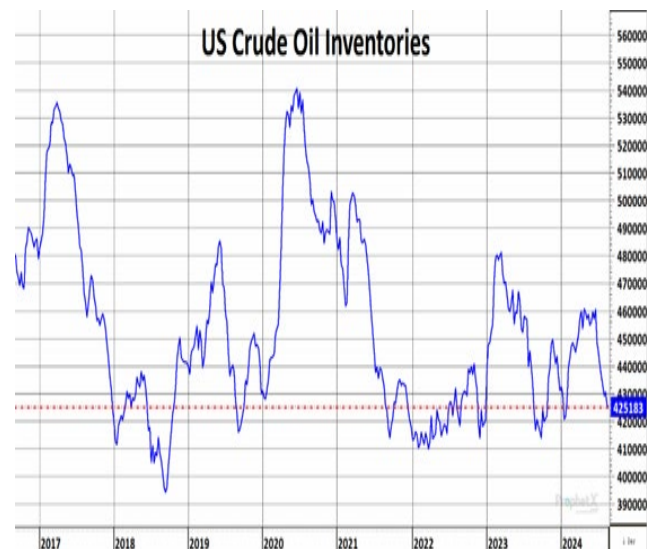
Market Comments: **Energy markets continue to slide lower**

Oil and fuel prices posted losses in Wednesday trading as the energy markets continued to spiral lower. Fuel prices closed the day at their lowest settlement price in 33 months, while WTI crude oil prices ended the session below \$70.00 for the first time in nine months of trading. Petroleum prices continued to reel lower from worries surrounding slowing economic conditions and fuel demand destruction in both China and the US as disappointing manufacturing data and today's JOLTS survey which showed fewer job openings than expected appeared to ratchet up fears of a possible recession. Additional selling pressure in the energy markets today seemed to come from reports that Libya's two governments had reached a deal to appoint a new central bank head, which could allow the African nation to resume production and exports in the coming days and sliding equity prices. Limiting the market's slide were early expectations for draws in crude oil stockpiles in this week's Labor Day delayed inventory report and from a weaker dollar as the greenback snapped its past five-day rally.

Looking ahead: Traders will likely focus on tomorrow's DOE inventory data as the market's next price driver, with preliminary forecasts calling for a draw in crude oil inventories. Tomorrow will also see the release of the weekly initial jobless claims report and several service PMI surveys, which could also help drive price movements.

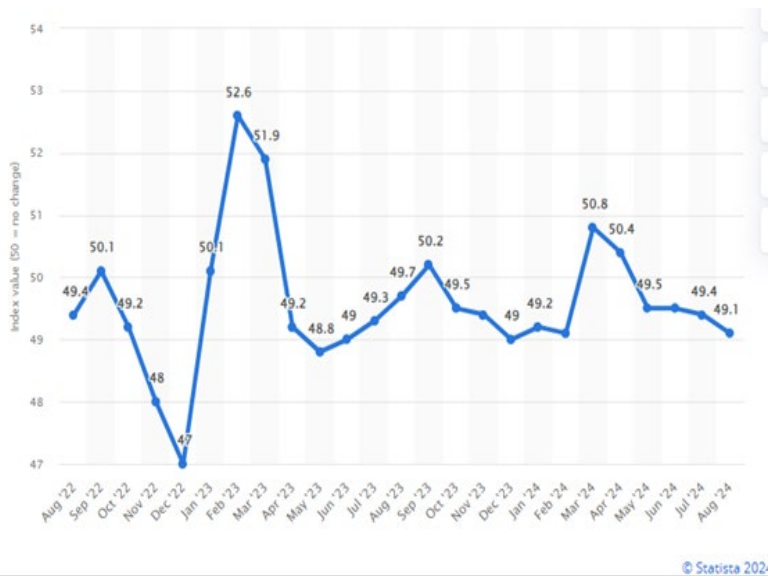
Decreasing crude oil inventories will tighten supplies and potentially help provide uplift to crude oil and fuel prices in the coming months.

- Last week, the DOE reported crude oil stockpiles dropped by 800,000 bbls to an eight-month low at 425M bbls.
- The drop was an eighth weekly decline out of the past nine weeks.
- Inventories have now dropped by nearly 36M bbls or nearly 8% from their 2024 high back in Mid-April.
- Further, crude oil stockpiles at the NYMEX delivery point at Cushing, OK, have also dropped to a 2024 low at 27.5M bbls, another indication of tightening supply.



Why it matters: Falling crude oil inventories indicate a tightening supply picture that could potentially curtail the oil markets recent slide and help to elevate oil and fuel prices during the remainder of this year.

Slowing Chinese manufacturing activity could signal decreased energy demands in the coming months and help to soften global oil and fuel prices going forward.

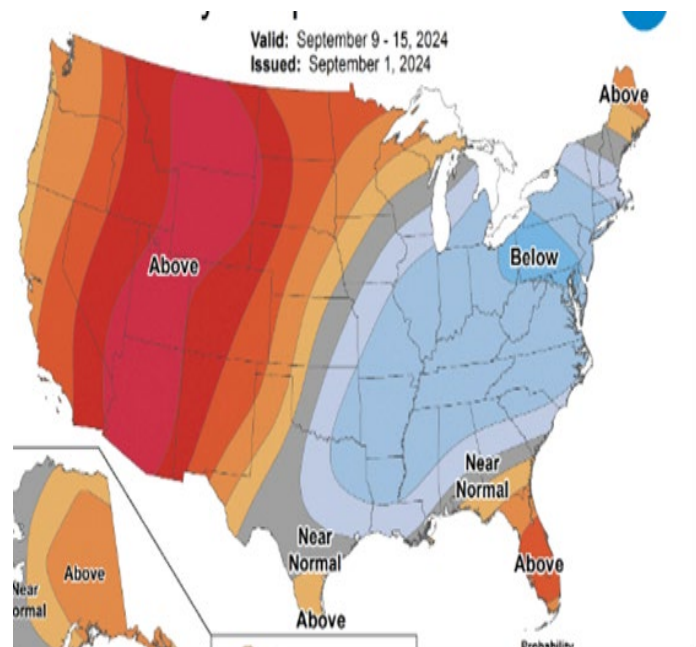


- According to China's National Bureau of Statistics, the official manufacturing purchasing managers index (PMI) in August dropped to 49.1, down from its previous reading of 49.4 in July and below expectations of 49.5.
- August's reading represented a fifth drop in the past six months and was below 50 (a level that separates growth from contraction) for a fourth consecutive month.
- In addition, producers reported factory gate prices dropped to their lowest levels in 14 months.

Why it matters: Weakening Chinese manufacturing activity could point toward further softness in global oil and fuel demands (China is the world's largest manufacturing hub) and could help to loosen supply and potentially depress petroleum prices in the coming months.

Current 8 to 14-day weather forecast, valid through September 15th

- As the door closes on August and we move into September, the weather models call for cooler temperatures east of the Mississippi.
- However, the western region is expected to experience above-normal temperatures.
- As for precipitation, the Midwest should see below-average rainfall.
- The significance of the weather forecast comes into play as harvest will be ramping over the next few weeks.
- The cooler temperatures could play into delaying corn drying progress.



However, the limited moisture will allow for harvest progress to get underway.