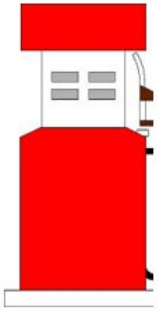


Energy Market Update, September 11, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Oct 24	67.31	-1.89
RBOB Gas	Oct 24	1.8972	-0.0646
NYH ULSD	Oct 24	2.0917	-0.0658
Nat. Gas	Oct 24	2.270	+0.125

Market Comments: Energies across the complex were dominated by a bearish tone this past week.

Some of the downsides were fed by concerns about demand from China following another round of lackluster economic data. The Chinese consumer price index rose by 0.6 percent year on year in August, missing expectations. However, China's exports rose by 8.7 percent year on year, which was better than anticipated.

OPEC cut its forecast for global oil demand growth in 2024, reflecting data received so far this year, and also trimmed its expectations for next year. Specifically, they expect world oil demand to rise by 2.03 million barrels per day in 2024, down from the growth of 2.11 million expected last month.

The Department of Energy reported across-the-board builds to crude, gasoline, and distillate fuels this week, countering the API data.

The LP inventory build of 1.1 million barrels was a little lighter than average for this week of the year but not concerning. Propane prices have improved considerably with lower crude values and look very attractive for next fall/winter.

	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	0.8	419.1	457	456	2.3	221.6	236	236	2.3	125.0	146	148
Est.	+2.400/-0.800				+1.900/-1.700				+1.400/-1.5000			
Propane	Total		96.8	1.1	Midwest		26.3	0.4	Gulf Coast		56.9	0.7
API	Crude -2.8		Cushing -2.6		Gasoline -0.5				Distillates 0.2			



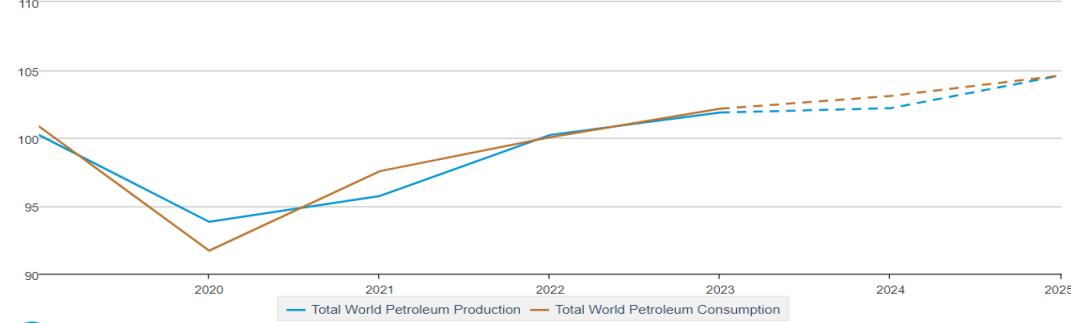
Mount Belvieu Propane

- An initial inspection of the Mt. Belvieu propane chart shows how volatile prices have been throughout 2024.
- To start the year, they were coming in around \$0.69, then surged to a high of \$.87 back in July. They are currently trading at the low end of this swing, around \$0.69.
- In addition, it is interesting that last year's prices were at \$.77.
- The recent weakness in the propane cash market can be

linked to the decline in crude oil, as nearby months are trading under the psychological \$70 region. In addition, stocks continue to build.

Custom Chart

million barrels per day



eia Data source: U.S. Energy Information Administration

DOWNLOAD

Short-Term Energy Outlook

The Department of Energy's Short-Term Energy Outlook (STEO) still expects world petroleum consumption to exceed production with OPEC+ curtailed output, however, this gap narrows considerably to the end of the year.

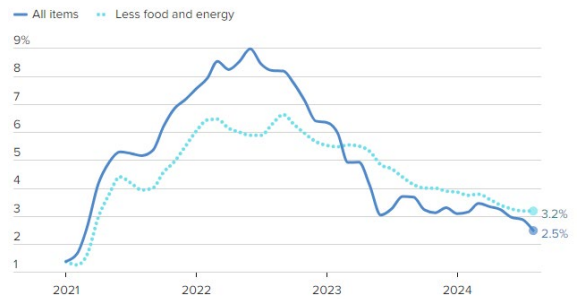
Latest inflation update supportive of rate cut next week

With energy prices declining, the latest U.S. consumer price index continued to show inflation coming down, with energy costs accounting for 0.8% of the 0.2% month-over-month percent change reported this morning from the Bureau of Labor Statistics.

Excluding the volatile energy and food prices, core CPI came in at 3.2% year-over-year, which was in line with forecasted figures, despite an increase of 0.3% from July to August.

U.S. consumer price index

Year-over-year percent change January 2021–August 2024



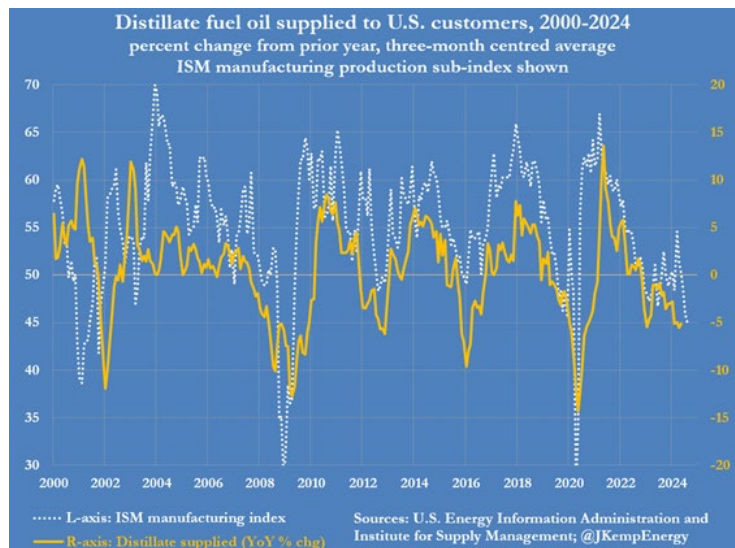
Source: U.S. Bureau of Labor Statistics
Data as of Sept. 11, 2024

CNBC

Slowing U.S. manufacturing activity

- In addition to reports on weakening Chinese manufacturing activity falling to a six-month low, the U.S. is also showing slower-than-expected manufacturing activity.
- U.S. manufacturers business activity has contracted for five-months straight, falling in the second and third quarters of this year.

- **Why it matters:** Expectations of a further manufacturing slowdown both in the U.S. and China combined has helped to lower diesel prices to levels not seen since December of 2021 as the consumption of distillate fuels is impacted by decreased usage from this industrial business sector and freight, in particular.



..... L-axis: ISM manufacturing index
—— R-axis: Distillate supplied (YoY % chg)

Sources: U.S. Energy Information Administration and Institute for Supply Management; @JKempEnergy