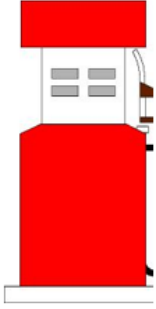


Energy Market Update, October 30, 2024

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Dec 24	68.61	-2.16
RBOB Gas	Nov 24	1.9957	-0.0457
NYH ULSD	Nov 24	2.1876	-0.0340
Nat. Gas	Dec 24	2.845	+0.503

Market Comments: Energy futures settle higher mid-week.

Crude and fuel prices continue to stabilize and recover back some of the steep losses posted in Monday's trade. Along with the decrease in risk premiums due to conflicts in the Middle East, OPEC+'s current plan to unwind their production cuts in December is looming over the petroleum complex, adding headwinds to advances in prices.

There is speculation brewing as to whether OPEC will delay their output increases again, which could spur a price adjustment, as OPEC gallons to be added to the market over the next year are significant if their plan is executed accordingly.

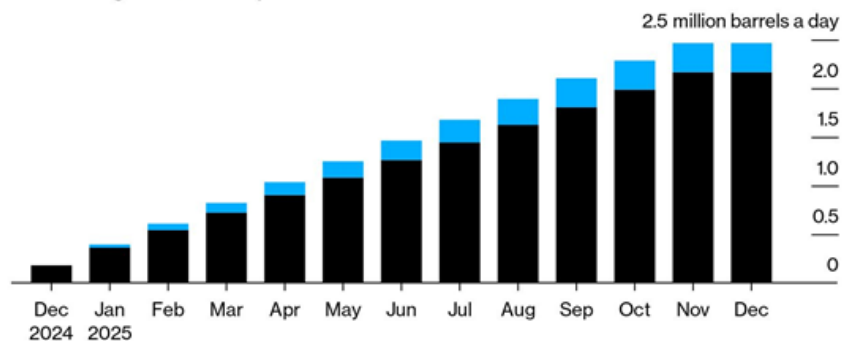
There is speculation that a decision could be made by this weekend.

A slight dip in refinery processing from 89.5% to 89.1% helped lead to the product draws. Strong gasoline demand this fall is further tightening inventories to well below the five-year average.

Unwinding OPEC+ Output Cuts

Increments start small, but soon build to a significant amount of new oil

■ Unwinding cuts ■ UAE uplift



Sources: Saudi Arabian Ministry of Energy and Bloomberg

Bloomberg

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	-0.5	425.5	457	456	-2.7	210.9	236	236	-1.0	112.9	146	148
Est.	+3.000 / -2.800				+3.400 / -1.500				+0.900 / -2.000			
Propane	Total		101.5	-0.2	Midwest		28.7	0.2	Gulf Coast		58.9	-0.5
API	Crude	-0.57	Cushing	0.32	Gasoline		-0.3		Distillates		-1.5	

This past week's inventory data from the Department of Energy was in line with expectations. An across-the-board draw was supportive to today's market direction, along with a weaker dollar.

Looking ahead: This week is packed with economic reports - tomorrow brings us the PCE (Personal Consumption Expenditures) Index to gauge U.S. consumer spending, jobless claims, and the Chicago PMI (Purchasing Managers Index) to provide an update on the health of the manufacturing sector in the region.

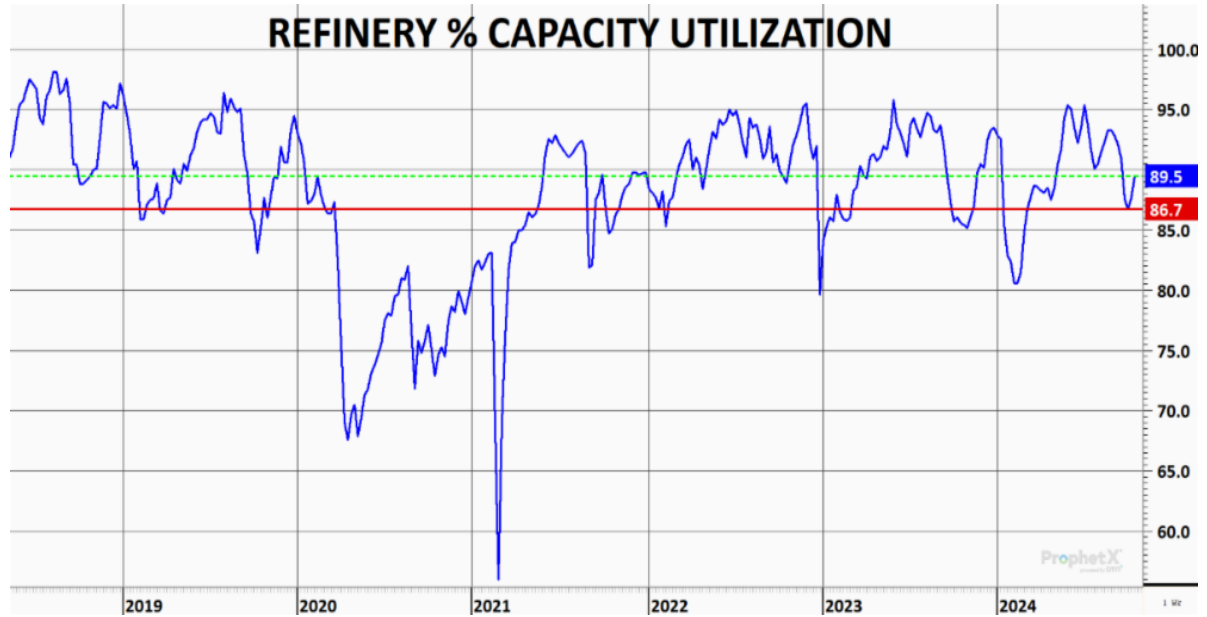
Increased refinery operations can add to supply, help build inventories, and potentially soften oil and fuel prices in the coming months.

Signs that Fall maintenance programs are beginning to wrap up and refinery production levels are beginning to pick up have emerged.

Utilization capacity levels after dropping to a near one-year low just above 86.5% at the beginning of this month as turnarounds

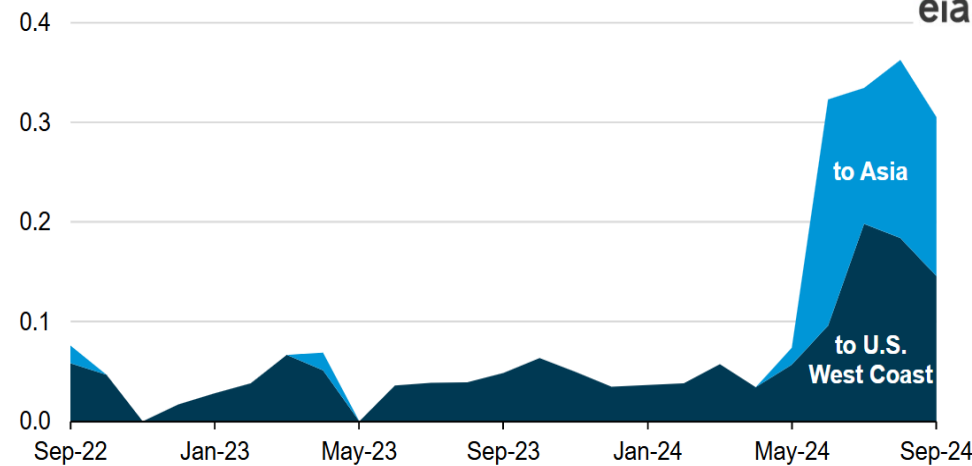
commenced have now climbed by nearly 3% over the past month.

In the next couple of weeks, refineries are expected to emerge from maintenance and increase output with the Midwest's largest refinery, BP Whiting, expected to end its turnaround in the second half of the November.



Canada's TMX pipeline expansion adding barrels to U.S. West Coast

Monthly marine crude oil exports from West Canada by destination (Sep 2022–Sep 2024)
million barrels per day



Data source: Vortexa Analytics



In May, Canada completed their Trans Mountain Expansion of their Trans Mountain pipeline (TMX), tripling the capacity available for export via the Pacific from Canada's west coast.

Thus far, the U.S. West Coast refineries have shown to have been buyers of these maritime crude oil exports out of Canada, increasing the regions imports to 498,000

barrels per day in July, which is a record high for the region, and a 115% increase over their imports a year prior.

Why it matters: Previously, Alberta's crude oil exports were primarily sent to refiners in the U.S. Midwest via pipeline to refiners there, or the Gulf Coast via rail for re-export, so early indications are that the TMX expansion has potentially shifted supply sources for both regions.