

## Prairieland FS ,Inc.

### Energy Market Update December 13, 2017

#### NYMEX Prices

	Close	Wk. Change
January Crude Oil	\$56.60	+.64
January Gasoline	\$1.6467	-0.0142
January Heating Oil	\$1.6044	+0.0431
January Natural Gas	\$2.703	-0.219

**MARKET COMMENTS:** Feds raised the benchmark interest rate by ¼ percent, as expected. The committee says they expect to stay on the path of continued increases next year. The U.S. dollar has been trading lower all day, but dipped even lower with the announcement. We were surprised again today by a slight overall build in U.S. propane stocks, although there was a draw in the Midwest. The complex closed weaker again today, with gasoline leading the way.

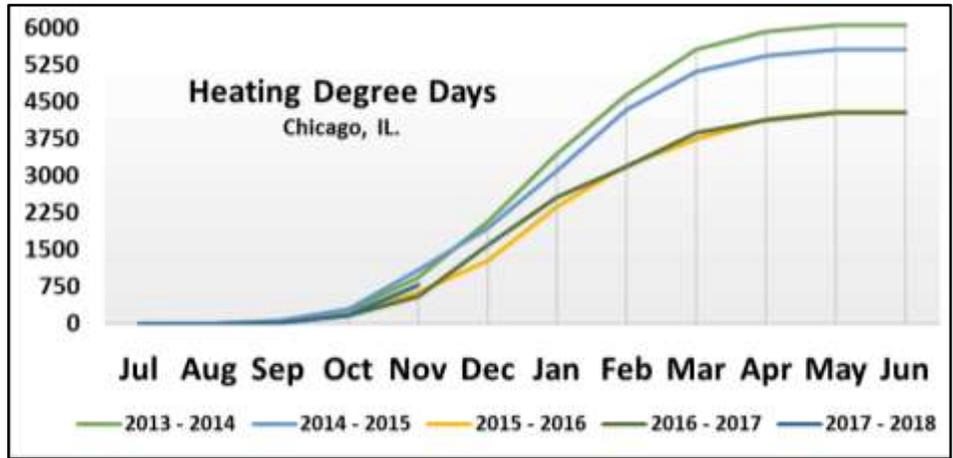
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	<b>-5.117</b>	<b>443</b>	453	425	<b>+5.664</b>	<b>226.5</b>	219	218	<b>-1.37</b>	<b>128.1</b>	143	133
EST.	-2.000/-5.300				+4.683/-4.000				+2.985/-1.000			
Propane	<b>Total +.2 74.7</b>				<b>Midwest -.7 24.3</b>				<b>Gulf +.7 39.6</b>			
<b>API's</b>	<b>Crude -7.382 Cushing -2.704</b>				<b>Gasoline +2.334</b>				<b>Distillates +1.538</b>			

Falling exports certainly have helped to soften propane prices this week as they have fallen away from crude indications. The latest weekly export number came in at 706,000 barrels/day-a continuation of lower weekly numbers. Propane demand was higher vs last week, production was slightly lower than last week, and imports were up slightly.



Government officials have said that only seven bids have been received since the offering of more than 10 million acres in the National Petroleum Reserve in Alaska by the Trump administration. The seven bids amount to 80,000 acres of less than 1% of the offered leases. All the bids were submitted by ConocoPhillips Alaska, Inc. in partnership with Anadarko Petroleum Corp.

**It's still early, but heating degree days (HDD) for 2017-18 are starting off better than the last two years, getting some help from colder than average temperatures in early November. Heating degree days are defined as the number of degrees that a day's average temperature is below 65 Fahrenheit, the temperature below which buildings need to be heated. To calculate HDD, take the average of a day's high and low temperatures and subtract from 65. For example, if the day's average temperature is 50 F, its HDD is 15.**



**The U.S. dollar peaked out in December of last year and has since been trending lower.** It appeared as if the dollar bottomed out in August of this year. Here recently the dollar has got some upside momentum, as investors turned more optimistic over the U.S. economy's future prospects. Last week, the House passed a short-term

stopgap measure that keeps the government open for another two weeks. The Senate is expected to pass the spending bill this week.

Diesel exports were up and gasoline exports were down last week. Diesel had to dig itself out of the doldrums following Hurricane Harvey, as well as falling demand from Europe and Latin America which all occurred in September. U.S. gasoline exports have fallen with news that Mexico's refineries are beginning to come back to life following their earthquakes, also in September. The U.S. has always exported gasoline to Mexico, but the amounts increased sharply over the last few months. The Mexico City area is one of the most seismically active zones on the planet where five tectonic plates collide. Unfortunately the area is also home to most of Mexico's refineries.

