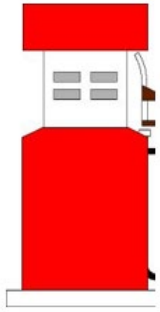


Energy Market Update, May 21, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Jul 25	61.57	-1.58
RBOB Gas	Jun 25	2.1498	-0.0202
NYH ULSD	Jun 25	2.1391	-0.0670
Nat. Gas	Jun 25	3.368	-0.124

Market News:

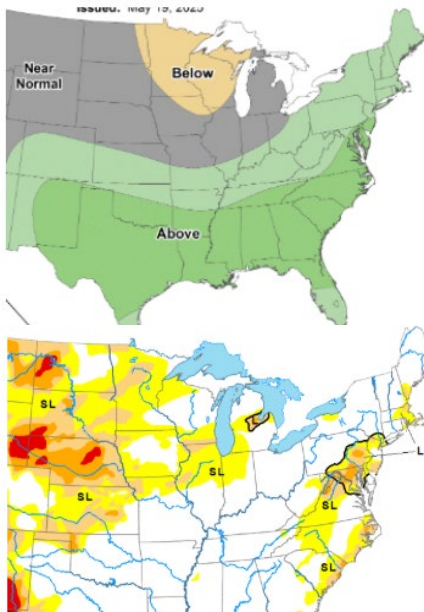
The oil markets are taking a positive spin after a report that U.S. intelligence suggests Israel is preparing to strike Iranian nuclear facilities. The U.S. has obtained intelligence suggesting Israel is making preparations, including munitions movements and air exercises. An Israeli attack could once again ratchet up tensions in the Middle East, threatening a regional war and potentially disrupting the global flow of oil.

Despite Western sanctions, Iran produces 3.3 million barrels of crude daily, its highest level in five years and the third most among OPEC nations.

The big offshore wind project in New York is back on. The decision to resume construction marks an abrupt about-face by the Trump administration, which halted the project last month.

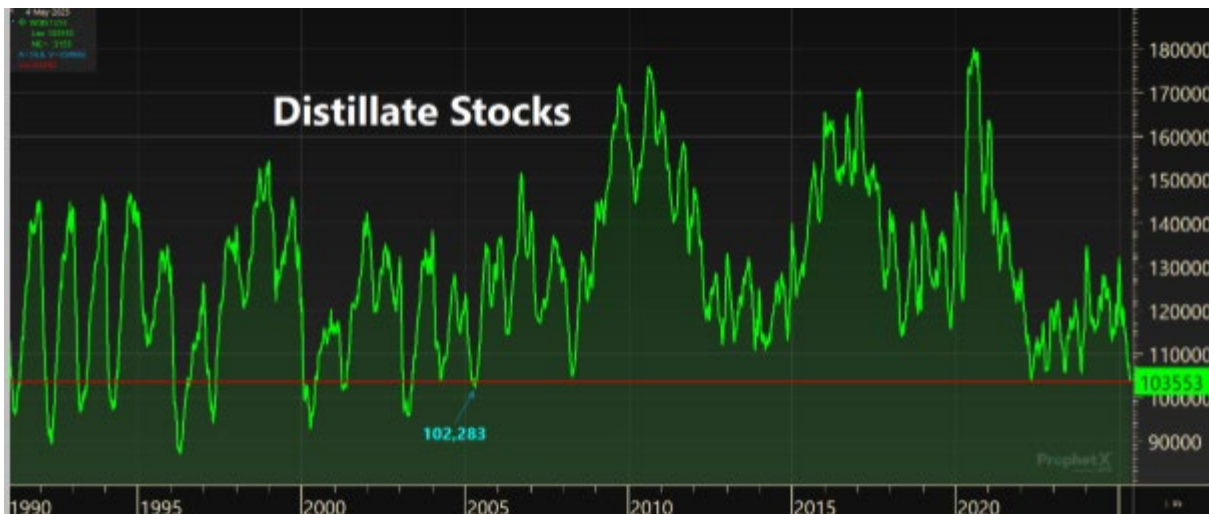
The IEA lifted its oil demand view on softer tariff impact and lower prices. Global oil demand growth is expected to be stronger than previously anticipated due to lower oil prices and a less severe hit from U.S. tariffs on the economy.

	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	1.3	443.2	448	472	0.8	225.5	222	231	0.6	104.1	109	125
Est.	+1.7/-4.2				+2.6/-2.1				+0.500/-2.00			
Propane	Total		53.1	2.7	Midwest		11.9	1.0	Gulf Coast		34.4	2.2
API	Crude 2.5		Cushing -0.4		Gasoline -3.2		Distillates -1.4					



Weather Remains a Key Focus for Several Reasons

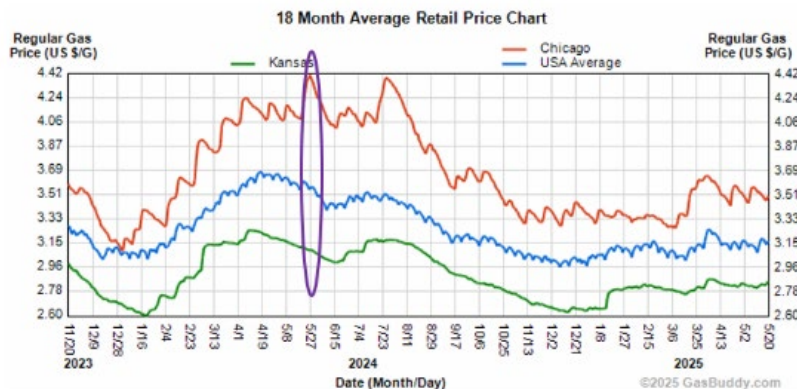
- The most recent NOAA moisture map, valid through June 2nd, shows above-average moisture in the southern portion of the U.S.
- The wet forecast is unwelcome in the southern regions of the Corn Belt, as producers are struggling to get the crop in the ground.
- The delayed planting has resulted in talk of a prevent plant in some regions.
- However, it is a tale of two cities, as northern Illinois, a portion of Iowa, and a large portion of Nebraska are hungry for moisture.
- All of the different scenarios have potential implications on the fuel demand in localized areas.
- If producers followed through on prevent plant, it could deplete fuel demand in those areas.
- However, if Nebraska remained extremely dry, the growing seasons would cause strong irrigation demand and increase diesel demand in those regions.



Distillate inventories are being squeezed

- US distillate stocks have dropped to a 20-year low of 103.6 million barrels
- Refinery maintenance programs in late winter / early spring limited inventory builds
- Refinery utilization moved above 90% for the first time since January 5th
- Midwest refinery utilization is below 93% and has been since the first half of March
- PADD 2 (Midwest) inventories are at a 4.5-year low
- US demand has been trending lower, but has been offset by climbing exports

Why it matters: Distillate markets are feeling the pinch of low supply, especially in the western half (Group market) of PADD 2. Prolonged refinery maintenance programs seem to be dialing operations back up at just the right time for distillates try to build stocks. Now that the Group market is more 75% complete with Spring planting we may start to see some relief come to areas of the Midwest.



Gasoline a Bright Spot Heading into Driving Season

- Memorial weekend is quickly approaching, which is the official start to the driving season. Travel picks up with vacations and kids being out of school.
- The good news is that consumers should experience softer prices than last year.
- The average price for gasoline in Chicago is around \$3.51, compared to \$4.42 this time last year, which is almost a \$0.91 discount.
- The average price for gasoline in Kansas is just over \$2.78, compared to \$3.15 this time last year, which is a \$0.37 discount.