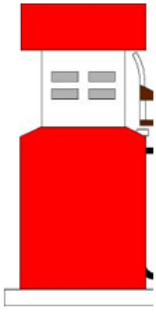


Energy Market Update, September 24, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Nov 25	64.99	+0.940
RBOB Gas	Oct 25	2.0188	-0.010
NYH ULSD	Oct 25	2.3772	+0.022
Nat. Gas	Oct 25	2.858	-0.242

Market News: Energy markets closed lower in Wednesday trade.

WTI crude and diesel prices gained 2% today, fueled by falling stocks in the DOE's Weekly Petroleum Status Report this morning and concerns about Russian supplies. The fighting between Ukraine and Russia is expected to continue following a statement from President Trump yesterday afternoon indicating that Ukraine could resecure its original borders back from Russia, given support from the EU. With continued fighting, this leads the energy market to believe that maximum sanctions will be applied to Russia and attacks to their oil infrastructure will continue, threatening exports. The diesel contract has been supported in particular as drone attacks on Russian refineries curtail Russian diesel supplies.

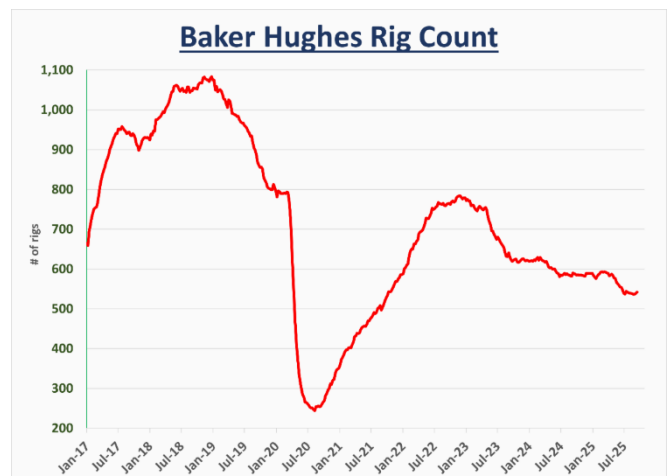
Distillate stocks fell 1.7 million barrels, and crude fell 0.6 million barrels. Falling gasoline stocks (-1.1Mb) gave the RBOB contract a lift on the board as well, but it trailed the other two, only gaining a couple of cents on the day. Refinery runs were down just 0.3% this week to 93.0%, running a bit higher than expected. Overall, it was a bullish report for the petroleum complex with declining stocks and implied gasoline and distillate demand higher than last week (although down from this week last year). Exports for USoil and refined products were also solid.

Propane showed a build of 1 million barrels, which is now 2.4 million barrels ahead of last year, just below 100Mb.

	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	-0.6	452.0	420	434	-1.1	216.6	218	220	-1.7	123.0	119	135
Est.	+1.6				+0.3				-1.6			
Propane	Total 99.9 1.0				Midwest 26.8 0.7				Gulf Coast 59.9 0.9			
API	Crude -3.82 Cushing 0.01				Gasoline -1				Distillates 0.52			

US Oil Rigs on the Rise

- The number of active oil rigs has risen 4 straight weeks to a total of 418
- Active rigs from April to August dropped 14 consecutive weeks
- 15% of active rigs were reduced during the Spring - Summer time frame
- Current rig counts are down 13% year-over-year
- The number of active rigs has declined by 1/3 in the last few years
- Newer horizontal rigs have lessened the impact of rigs dropping off as they have greater production capacity than many of the rigs going offline.



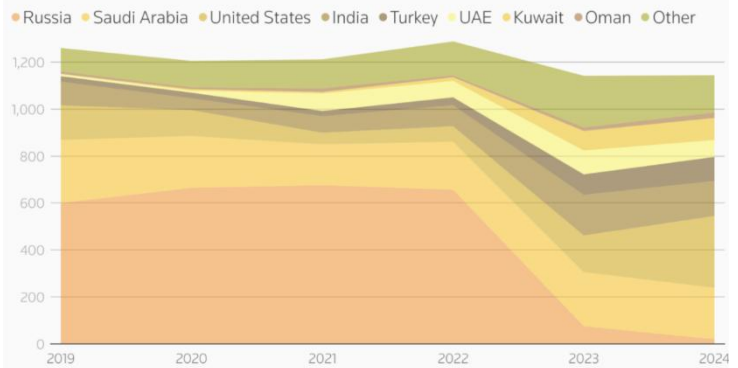
Why it matters: The recent streak of loss in active rigs has been mostly triggered by increased OPEC+ supply and lower market prices. US crude output has seen little to no change from the reduction in rigs (3-6 month time frame) yet. Should rig numbers continue going higher, 3-6 month US oil output would likely respond higher, putting more pressure on crude prices.

Trump's calls for action against Russia are supporting prices

- In his speech ahead of the United Nations General Assembly yesterday, President Trump also called for NATO member countries to discontinue their Russian purchases and was reported to be meeting with European leaders to discuss halting these imports.
- Prior to 2022 and the start of the war between Russia and Ukraine, half of Europe's diesel imports came from Russia.
- The EU's ban of seaborne imports from Russian diesel in 2023 further restricted Russia's imports to Europe, dropping them now to less than 1% of the total last year.

European diesel/gasoil imports

Russian diesel and gasoil exports to the EU and UK plummeted after the West imposed sanctions on Russia in 2022, allowing other sellers in the Middle East and the US to fill the gap.



India and China were also called out for continuing to purchase Russian exports to fund their war in Ukraine through oil purchases. These two countries have become major trading partners with the Kremlin, benefiting from discounted prices as Russia sought new buyers following European sanctions.

Ceyhan export resumption incurring further delays

Also supporting markets yesterday and this morning are a delay once again to the resumption of exports from Iraq's Kurdistan region to Turkey. The restart has been delayed by demands for debt repayment guarantees by the crude field operators. This has halted the reopening of the Ceyhan pipeline which has the capability to add 230,000 barrels per day of oil exports.

Oil that is extracted in the Iraqi Kurdistan region, which is in the northern part of Iraq, is transported through the Kirkuk-Ceyhan pipeline. It terminates for overseas exports at the port of Ceyhan in the Turkish Mediterranean coast.

Why it matters: The eventual resumption of these exports in an oil market that is already projected to be oversupplied could provide further downside to crude prices.



USDA Weekly Crop Progress Report

- Fifty-six percent of the U.S. corn crop is mature vs. 59 percent last year.
- In addition, 11 percent of the crop has been harvested vs. 13 percent last year.
- As for soybeans, 9 percent of the U.S. crop has been harvested vs. 12 percent last year.

Current 8 to 14-day Weather Forecast

- The most recent National Weather forecast, which is valid through October 5th.
- It is calling for above-average temperatures across the entire United States. Especially through the Corn Belt territory.
- In addition, precipitation in this area is expected to be below average.

This continues to further the case of limited crop drying out of the agriculture sector this fall.

