

# Energy Market Update, April 23, 2025

## NYMEX Prices

Product	Month	Close	Wk. Change
Crude Oil	Jun 25	62.27	-0.20
RBOB Gas	May 25	2.0839	+0.0405
NYH ULSD	May 25	2.1269	+0.0115
Nat. Gas	May 25	3.022	-0.225

### Market News: Energies closed lower Wednesday.

Energy futures softened across the board on Wednesday, breaking four-day winning streaks for crude and distillates while gasoline snapped a seven-day positive stretch. Morning markets were little changed early on, as light profit taking and an elevated US dollar had energy prices negative even after weekly DOE reports showed sizable draws to gasoline and distillate stocks.

President Trump's comments about eventually reaching a trade agreement with China are helping to stabilize the recent price climb.

The lower progression seems to be driven by reports that a collection of OPEC+ members will encourage a higher crude production roll-out for June, like the announced increase of 411,000 bbl/d scheduled for May.

April economic data showed Services PMI was lower than expected, while Manufacturing PMI was higher than expected. This information did little to affect market sentiment as traders are still projecting a slowdown in the US economy as we get further into 2Q25, and tariffs start to take hold.

March durable goods orders and weekly jobless claims will be released tomorrow, and they may be the next variables to affect market direction.

Of course, any new developments in the trade war will also cause added volatility as we finish out the rest of this week.

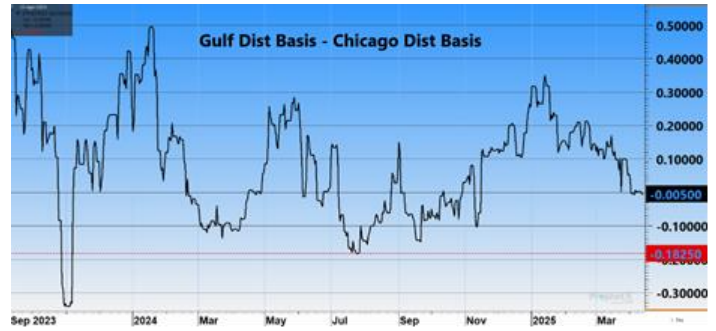
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	0.2	443.1	448	459	-4.5	229.5	237	238	-2.4	106.9	117	127
Est.	+0.5				-2.4				+0.1			
Propane	Total		46.6	2.3	Midwest		9.8	0.0	Gulf Coast		30.5	2.2
API	Crude -4.6		Cushing -0.4		Gasoline -2.8		Distillates -1.6					

### Tracking Regional basis shifts

- The current spot distillate basis differential between Group and Chicago (orange chart) is \$0.1250
- This difference between the two regions means the Chicago distillate market is \$0.1250 cheaper than Group
- The spread could be due to any number of factors, including refinery maintenance, higher/lower demand in one region, etc.
- Gulf distillate basis is currently \$0.0050 below Chicago basis or nearly flat (blue chart)

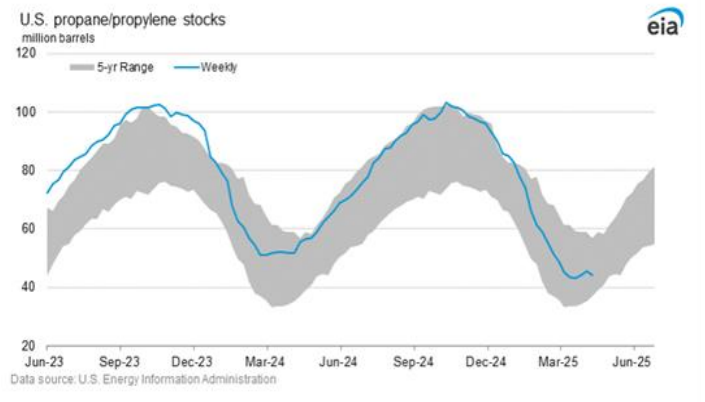
- The majority of Gulf seasonal refinery maintenance has already been completed and would contribute a lot to better supplied, lower priced markets.

**Why it matters:** When the basis spread between regions separates like it has between Group-Chicago and even Group-Gulf, more travel across regions to get discounted prices occurs, likely better balancing the market in the process.



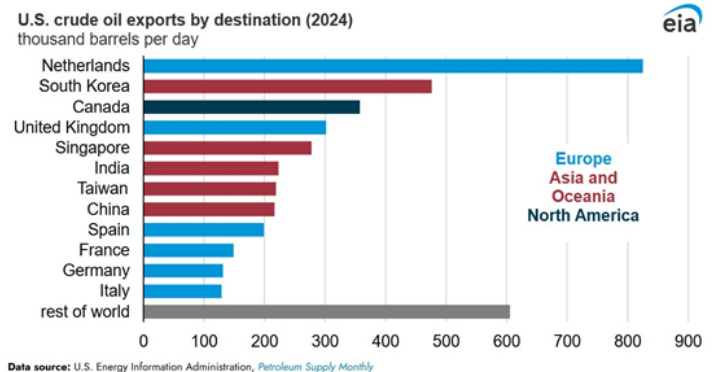
## Domestic Propane Stocks

- In last Wednesday's DOE report, the trade was slightly taken back from propane stocks, which were pegged at 44.4 million barrels, a decrease of 1.3 million barrels from the previous week.
- Regional temperatures up until now have been slightly below average and likely have some still running their furnaces.
- Current stocks are running at approximately 11.3 million barrels below where we were last year. (They were at 55.7 million barrels)
- However, as the above weather maps predict, temperatures should start to warm up, allowing for propane builds throughout the summer months.



## US Crude Exports to Europe have increased while US exports to China have fallen

- China was the second-highest recipient of U.S. crude in 2023, but **US exports to China fell a whopping 53%** in 2024.
- Compared to Iran's massive exports to China, US Exports to China in 2024 were only 217,000 barrels per day, bringing down Asia's imports from the US overall, even though there were increases in buying from South Korea, Singapore, and India.



**The takeaway:** The U.S. continued to increase its crude oil exports last year to a new record of 4.1 million barrels per day, even with a massive reduction in business from China, as they drop further down on the list of big buyers of U.S. oil. Europe has stepped up its buying, particularly the Netherlands, to feed a number of refineries in the port of Rotterdam.