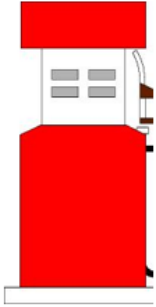


Energy Market Update, July 2, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Aug 25	67.45	+2.53
RBOB Gas	Aug 25	2.1229	+0.0569
NYH ULSD	Aug 25	2.4117	+0.1552
Nat. Gas	Aug 25	3.488	-0.081

Market News: Petroleum futures closed higher on Wednesday

After posting only small gains in up days over the past week (five out of the past six trading sessions) WTI jumped up \$2.00 today, even though a larger than expected 3.8-million-barrel build was reported by the DOE. The diesel contract performed stronger than crude and gasoline today after distillate stocks posted a draw again today of 1.7, tightening inventories further amidst demand that rose back up to 4 million barrels per day in this past week's data. The RBOB contract was the weakest on the board with a 4.2 million bbl build amidst a pullback in demand, which was down to 8.64 million b/d.

Propane prices were able to evade market gains today despite crude's advance with it's bigger than expected and above average 3 million-barrel build posted 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	3.8	419.0	448	472	4.2	232.1	222	231	-1.7	103.6	109	125
Est.	+1.4/-6.600				+2.500/-2.000				+0.800/-3.800			
Propane	Total		75.7	3.0	Midwest		18.4	1.4	Gulf Coast		46.9	0.7
API	Crude 0.7		Cushing		Gasoline		Distillates		-3.5			

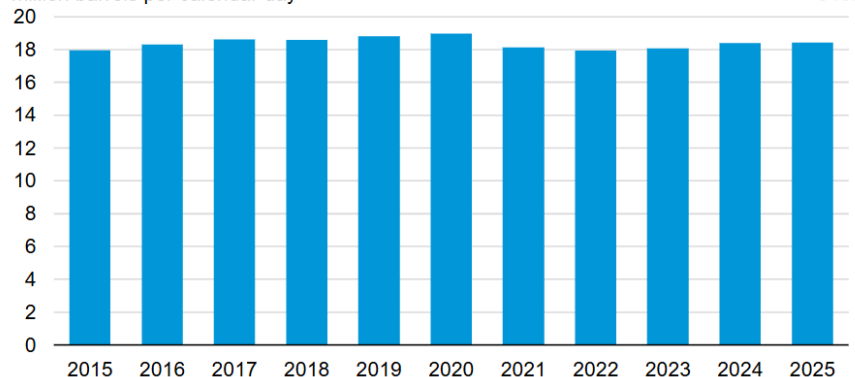
A trade deal between the U.S. and Vietnam was announced today, giving equities a boost. Traders are keeping their ears and eyes open for other deal announcements ahead of the looming deadline next week.

Looking ahead: Tomorrow morning we will receive jobless claims and the U.S. unemployment data and Non-Farm Payrolls. The NFP report can be a market-moving data release. Otherwise, trading may be light tomorrow as travelers take an extended holiday weekend to celebrate the 4th.

Refinery capacity flat year-over-year

- Total US refinery capacity started 2025 at 18.4 million b/d
- 2025's capacity is nearly even with 2024, after two consecutive years of gains
- No significant refinery changes occurred in 2024, unlike the additions to capacity in 2023 and 2024 as profits in 2022 soared.
- Small output increases in 2025 for the big refiners of Marathon, Valero, and ExxonMobil have done little to move the needle.
- Since the start of 2025, refinery capacity has only declined as LyondellBasell's 265,000 b/d Houston refinery ended operations in March.

U.S. refinery atmospheric distillation capacity on January 1 (2015–2025)
million barrels per calendar day



Data source: U.S. Energy Information Administration, *Refinery Capacity Report*
Note: Data reflect refinery capacity as of January 1 of the indicated year.

Why it matters: Gasoline and distillate stockpiles become harder to build when capacity declines, forcing the US to focus more on imports to offset lower domestic refining capacity, tightening supply, and squeezing prices.

Dollar drops to more than three-year low


- The **U.S. dollar dropped to the lowest level since February of 2022** during Tuesday's trading session.

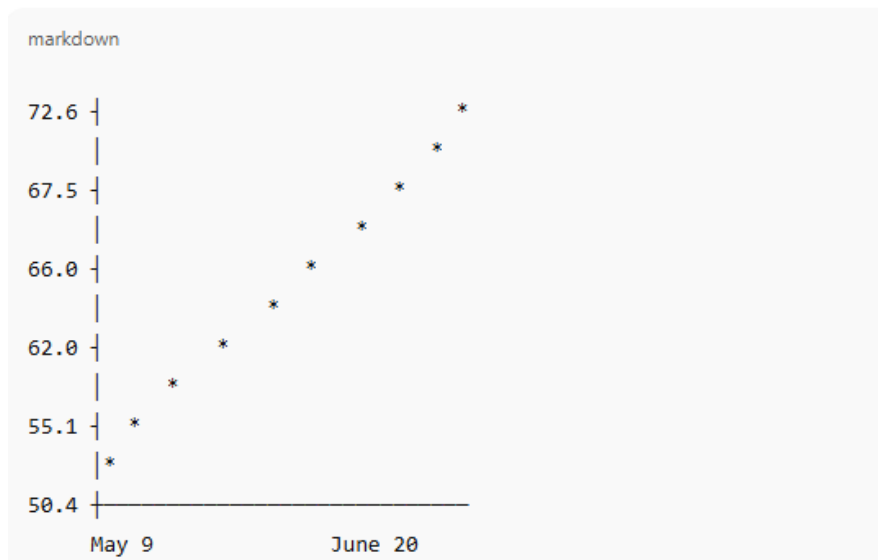
- The index has fallen from a high this year of ~110 down to ~96 yesterday, losing 10% since the beginning of the year.



- Economic uncertainties have contributed to the dollar's falling value, as trade policies of the new administration have led to fears that tariffs will ignite inflation, lower the U.S. growth outlook. The US government's credit rating was also downgraded. Pressures from the Trump administration on the Federal Reserve to lower interest rates has also led some to question the independence of the central bank. Leaders investors to stray from the reputably "safe" asset status.
- The Senates passage of the Big Beautiful Bill has also raised concerns about U.S. government spending, as it looks to increase the debt ceiling by an estimated \$3-5 trillion.

Why it matters: The **lower dollar could help boost demand for petroleum products** from the U.S., as those paying for these commodities in other currencies experience lower prices. The increased demand that generally occurs with a lower dollar value is supportive of oil and fuel prices.

 **Chart: Weekly U.S. Propane Stocks (May–June 2025)**



Domestic Propane Stocks Build over the past two months

- Stocks in the United States have built a decent clip since early May.
- At the time, stocks were just under 55 million barrels, and they are currently at 72.6 million barrels.
- This is an increase of approximately 18 million barrels in just under a 2-month.
- Stocks last Wednesday were pegged at 72.6 million barrels, and they gained 5.1 million barrels from the previous week.
- However, stocks are still slightly below the levels we saw one and two years ago, when they were at 73.5 million barrels and 79.5 million barrels, respectively.

However, as we move deeper into summer, we will likely see additional builds.