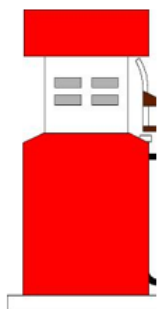


Energy Market Update, July 30, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Sep 25	70.00	+4.750
RBOB Gas	Aug 25	2.2691	+0.148
NYH ULSD	Aug 25	2.4185	-0.030
Nat. Gas	Sep 25	3.045	-0.032

Market News:

Oil and fuel prices ended the midweek trading session mixed with crude oil and gasoline prices higher on the day, while ULSD prices finished the session lower.

#2 diesel prices snapped their past two-day rally as signs of increasing distillate stockpiles (+3.6M bbls and a third consecutive weekly build) in this week's inventory reports continued to ease concerns surrounding the low level of distillate stockpiles.

Of note today, LP prices continued their push higher as a smaller-than-expected build of 1.2M bbls in propane stockpiles buoyed the market.

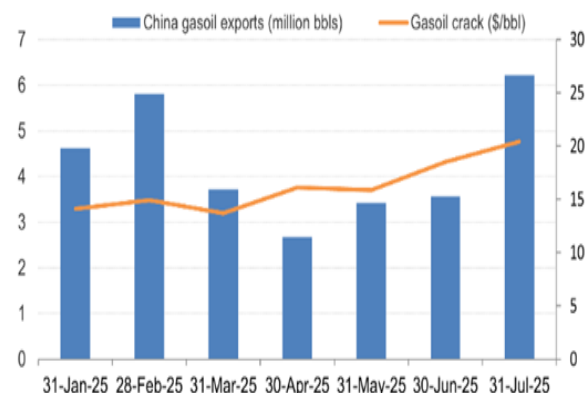
	Crude				Gasoline				Distillate Fuel			
	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.	Change	Total	3-Yr. Avg.	5-Yr. Avg.
EIA	7.7	426.7	445	471	-2.7	228.4	226	235	3.6	113.5	110	124
Est.	-6.100/4.700				-3.000/1.100				-3.000/2.700			
Propane	Total 83.5 1.2				Midwest 22.0 0.5				Gulf Coast 50.3 -0.3			
API	Crude 1.54 Cushing 0.47				Gasoline -1.7				Distillates 4.19			

Increasing refined product exports from China could help limit US diesel exports, loosen global supplies, build domestic distillate inventories, and potentially help soften ULSD prices in the coming months.

- China's exports of distillates in July are projected to reach nearly 900,000 bbls/d, a sixteen-month high, according to the latest data from ship tracking analyst Kpler.
- July's distillate exports are the highest since the nearly 1.1M bbls/d of export from China in March 2024.
- Increased diesel exports by China are attributed to Chinese refiners looking to capture the elevated margins that diesel supplies currently have on the world markets.
- There is also a good chance that China's refiners will continue to increase its fuel exports in the coming months with refiners in the Asian nation still holding a large amount of unused export quotas.

CHINA'S GASOIL EXPORTS RISE

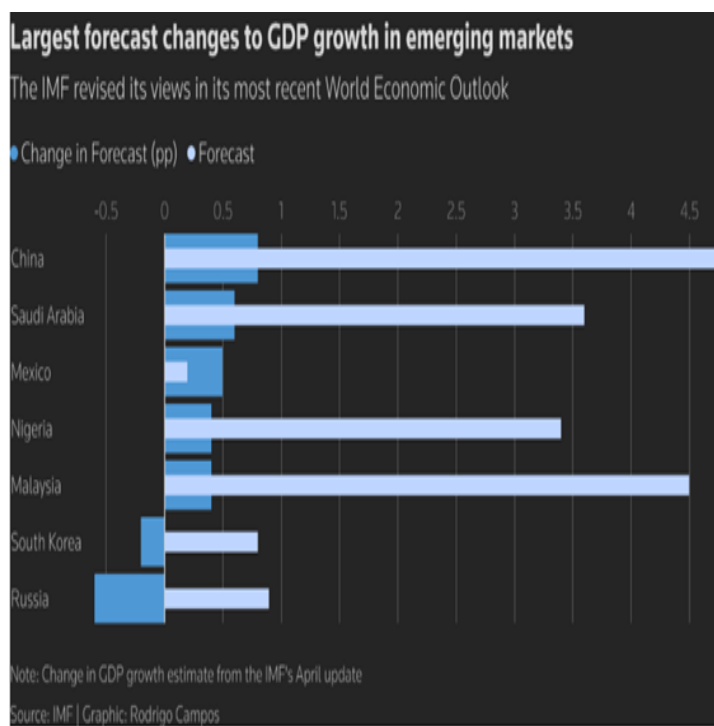
China diesel exports vs Singapore gasoil profit margin



Note: July 2025 gasoil crack is as of July 28.

Source: LSEG, Kpler Reuters graphic/Clyde Russell 29/07/25

Strengthening economic conditions in emerging countries and developing economies, including China, through the rest of this year and in 2026 could help boost energy demands, tighten supplies, and potentially provide support for stronger oil and fuel prices in the coming months.

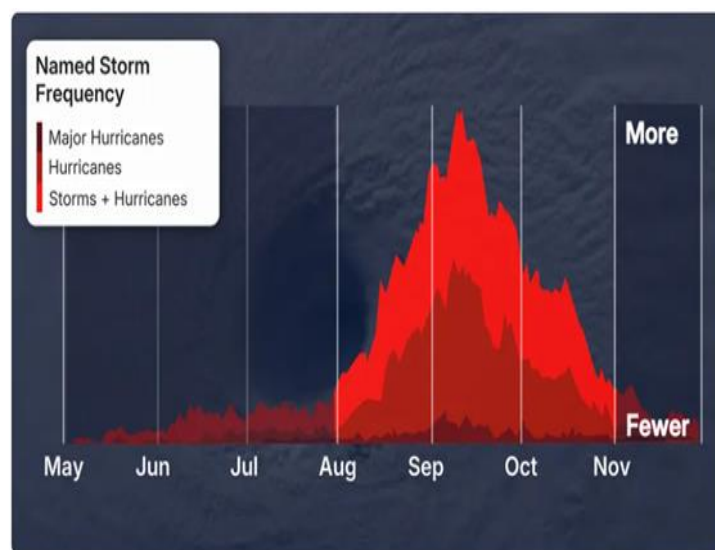


- In an update to its World Economic Outlook report, the International Monetary Fund (IMF) raised its forecast for economic growth in 2025 to 4.1% from its previous projection 3.7% growth.
- Of note, China saw the largest growth increase in 2025 to 4.8% from its previous forecast of 4%.
- The strengthening was attributed to stronger-than-expected economic activity in the first half of 2025 and the significant decrease in US-China tariffs that resulted from the trade agreement pause reached in the 2Q 2025.
- Saudi Arabia and Malaysia are expected to see the strongest economic growth in 2025, after China, at 3.6% and 4%, respectively.

Why it matters: Stronger-than-expected economic growth across the developing world going forward could help boost energy demands, tighten supplies, restrict inventory builds, and provide a spark to oil and fuel prices, esp. if a large part of the growth occurs in the world's second-largest economy in China.

Likelihood of hurricanes increases drastically in August

- Hurricane season runs June through November. While there are currently no threats of tropical cyclone activity expected, **it's important to recall that hurricane activity in the Atlantic ramps up beginning in August.**
- The majority of tropical storms and hurricanes develop in the August through October portion of the season, peaking in the first half of September.
- According to NOAA, 93% of hurricane landfalls in the U.S. Gulf or East coasts have occurred August through October, when sea-surface temperatures are warmest and instability increases.



Frequency of tropical storm and hurricane development by month. The August-to-October peak is highlighted.