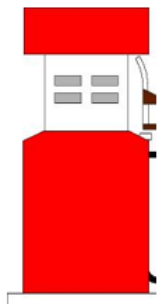


# Energy Market Update, October 8, 2025

## NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Nov 25	62.55	+0.770
RBOB Gas	Nov 25	1.9095	+0.024
NYH ULSD	Nov 25	2.2913	-0.011
Nat. Gas	Nov 25	3.333	-0.143

## Market News: Market Comments: **Petroleum futures mostly higher**

The DOE numbers proved to be mixed, with crude posting a build and drawing in gasoline, distillates, and propane.

Russia has been gradually raising its oil production and was close last month to meeting the output quota agreed by the OPEC+ group. Russia's energy sector has been under serious strain in the past two months due to a wave of Ukrainian drone attacks on its oil and gas infrastructure, mainly targeting oil refiners.

	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	3.7	452.0	432	450	-1.6	219.1	218	226	-2.0	121.6	118	136
Est.	-0.80				1.2				-1.3			
Propane	Total 100.5 -2.9				Midwest 26.8 -0.5				Gulf Coast 60.2 -1.3			
API	Crude -3.70 Cushing -0.70				Gasoline 1.3				Distillates 3.00			

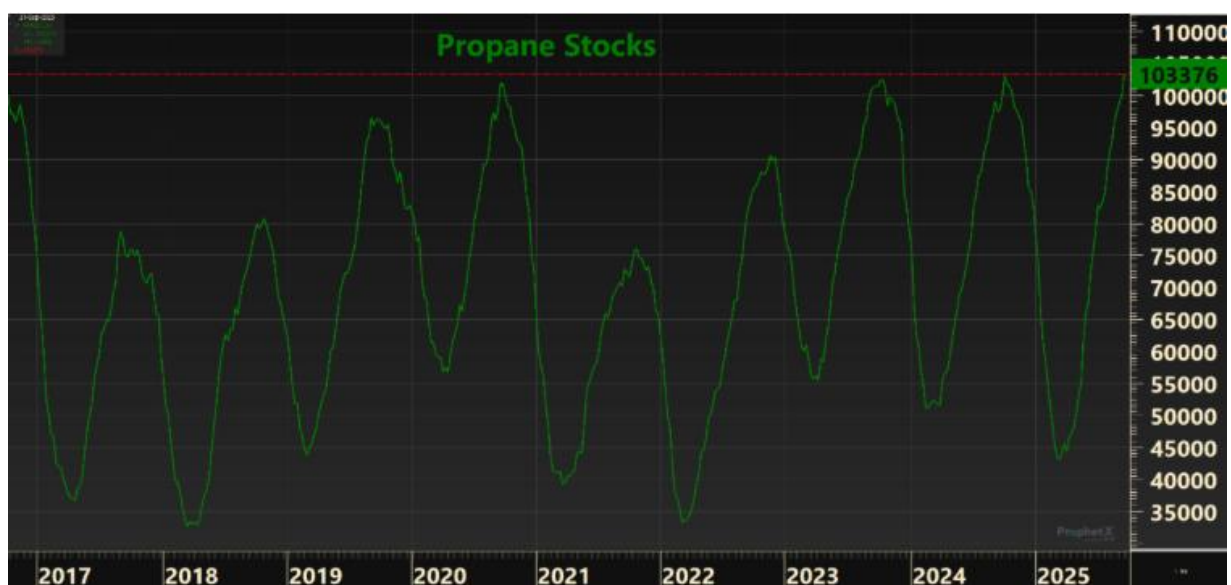


With the midpoint of the Fall harvest season nearing and the fast approaching start of the Winter heating season, a quick perusal of Midwest (PADD 2) distillate stocks is in order.

- Although the Midwest (PADD 2) distillate inventory picture was tight over much of the summer, it has improved steadily in recent weeks and now appears to be amply supplied as we start the fourth quarter of 2025.
- Midwest distillate stocks, according to the latest data from the DOE, increased last week by 500,000 bbls or 1.6% to 31.4M bbls, **a near seven-month high**.

- PADD 2 distillate stocks have now increased in six out of the past seven weeks and have pushed above their five-year average and are within 550,000 bbls or 1.7% of their five-year high for the current week.
- In addition, PADD 2 stocks have now climbed by nearly eight million barrels or more than 33% from their 2025 low as elevated refinery production levels and tepid demand levels loosened Midwest supplies.
- This has helped drag NYMEX ULSD prices to their lowest levels in nearly six months

**Why it matters:** Increasing Midwest distillate inventories indicate a loose supply picture and present a risk of lower diesel prices in the months ahead, especially if they dovetail with slowing economic conditions, weakening diesel demands, and a warm start to the winter heating season.



## Propane Inventories Reach New Heights

- Last week's DOE numbers showed a new record high for LP of 103.4 million barrels (m/bbls)
- The above-average build of 3.5 m/bbls was mostly due to Gulf Coast rising 1.5 m/bbls and East Coast increasing by 1.1 m/bbls
- High inventories are helping tamp down prices.
- LP markets are being aided by lower, ~\$61 /bbl crude prices as well
- 24-25 winter conditions were considered more in line with seasonal historical averages, bucking the mild trend of the last few years

**Why it matters:** After last winter's draw down of 59.9 million barrels it seemed impossible LP inventories would recovery within 10 million barrels of last year's record. Insert the largest historical build from this year's low and you have a new high mark. With increasing natural gas production and the corresponding output of propane rising, inventories and prices seem manageable for the foreseeable future.