

# Energy Market Update, August 20, 2025

## NYMEX Prices

Product	Month	Close	Wk. Change
Crude Oil	Sep 25	63.21	+0.560
RBOB Gas	Sep 25	2.1283	+0.058
NYH ULSD	Sep 25	2.2796	+0.037
Nat. Gas	Sep 25	2.752	-0.076

### Market News: Petroleum futures settled higher on Wednesday

Crude and refined products finished the day just below highs in the session as weekly DOE numbers showed larger than anticipated draws to crude and gasoline inventories.

Crude exports played a significant role in the oil inventory draw down as weekly exports increased 795,000 b/d from the prior week to a 4-month high.

The possibility of additional sanctions on Russia is aiding the upside as Russia's biggest importer of oil, India has shown signs they may scale back purchases of Russian crude with more US sanctions a good possibility.

The Federal Reserve meeting minutes from July revealed today showed a committee mostly at odds over what their next rate policy move should be. Interest rates were ultimately left unchanged at its July meeting, but for the first time in recent memory showed significant dissention to the final decision made by Fed Chair Powell, favoring a cut to interest rates instead. Despite recent conflicting data on whether to continue with current rate policy or cut in September, odds still heavily favor a rate cut next month for the first time in 9 months.

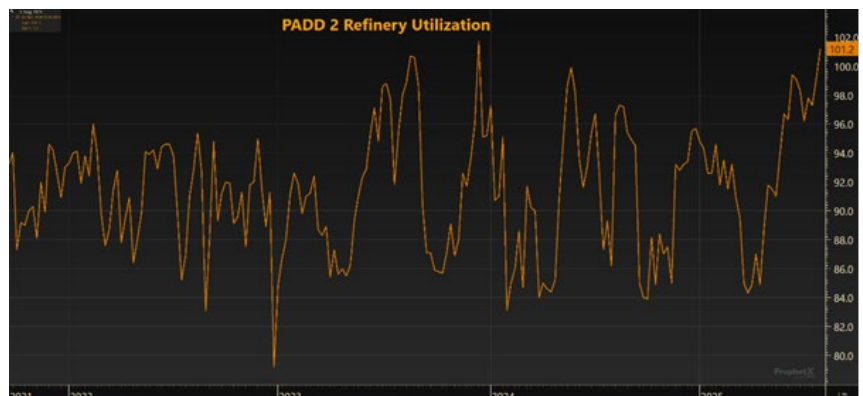
Increasing OPEC+ output into September is keeping energy markets from taking off too much to the upside.

### Weekly Petroleum Status Report

	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	-6.0	452.0	432	450	-2.7	223.6	218	226	2.3	116.0	118	136
Est.	-0.8				-1.0				-1.0			
Propane	Total 91.2 2.6				Midwest 23.9 0.8				Gulf Coast 54.2 0.9			
API	Crude -2.80 Cushing				Gasoline -1				Distillates 0.54			

### Refinery efficiency numbers maintaining close to record highs

- Midwest (PADD 2) refinery utilization numbers of 101.2 from last week, is a top 3 weekly operational level for the region in at least the last 10 years.
- US refinery efficiency reached a 7-year high to 96.9 last week
- Gasoline inventories are 4 million bbls ahead of this time a year ago, 10 million bbls ahead of two years ago, and 11 million bbls ahead of three years ago

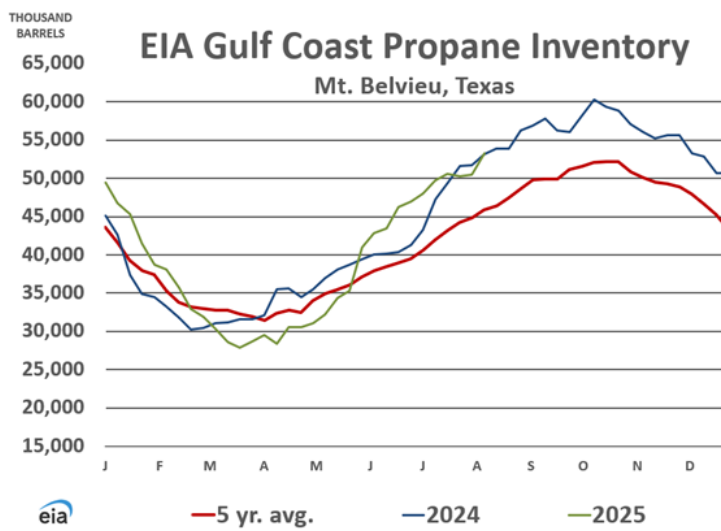


- Since reaching a 20-year low at the end of June, distillate stocks have recovered 11 million bbls and are now inside the high-low parameters from the last five years

**Why it matters:** Refiners running at close to peak efficiency is critical ahead of seasonal harvest demand as supply that was lagging behind last year and the 5-year average only six weeks ago has really chipped away at the deficit of late. BP Whiting going down for at least a week will hurt supply build opportunities in the region.

**With the beginning of the Fall drying and fast approaching start of the Winter heating season upon us, a quick glance at where Gulf Coast (PADD 3) propane inventories is warranted.**

- PADD 3 propane stockpiles, according to the latest data from the DOE, increased last week by 2.8M bbls barrels or slightly more than 5.6% to 53.3M bbls, marking a fourteenth week out of the past fifteen weeks inventories have built in the Gulf Coast region.
- Gulf Coast inventories have now climbed to **nearly 17% above their five-year average for the week.**
- In addition, PADD 3 LP inventories are **slightly more than 100,000 bbls or 0.2% above a year ago levels.**
- Further, Ready for Sale propane stocks in the Gulf Coast region last week increased by 2.7M bbls or slightly more than 10% to 29.2M bbls, **a near eight-month high.**



**Why it matters:** Elevated Gulf Coast propane inventories, where most US exports occur, as the start of drying season and fast approach of the winter heating season nears and the latter part of the year pickup in demand approaches can be a strong indicator of future price movements.

High inventories that overlap with near record propane production levels, no major hurricane disruptions, reduced drying demands, minimal refinery turnarounds, and weakening crude oil prices could point toward softer LP prices during the remainder of this year.

## Domestic Distillate Stocks

- Supply of distillate stocks in the United States has been on the energy industry's radar since late spring.
- The most recent DOE report pegged stocks at 113.7 million barrels vs. 126.1 million barrels last year.
- We are currently running at a 12.4 million barrel deficit.
- Stocks have slipped below the 5-year average, as this has not happened since the winter of 2023.
- The trade will be closely monitoring weekly DOE numbers to see if build quality continues to be lackluster.

