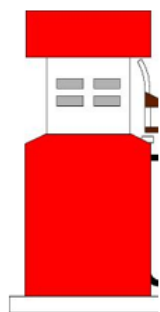


Energy Market Update, September 17, 2025

NYMEX Prices



Product	Month	Close	Wk. Change
Crude Oil	Oct 25	64.05	+0.380
RBOB Gas	Oct 25	2.0287	+0.021
NYH ULSD	Oct 25	2.3548	+0.021
Nat. Gas	Oct 25	3.100	+0.071

Market News: Energy markets closed lower in Wednesday trade.

Morning losses to each energy futures segment-maintained morning losses into afternoon settlements. Little change to energy markets were felt after Fed officials expectedly cut rates as energies seemed to be mostly focused on better balancing prices after three straight days of gains.

The Federal Reserve lowered interest rates by 0.25 basis points at its September policy meeting on Wednesday afternoon. The move to cut is a result of lower US job growth in the preceding weeks and unemployment rising to 4.30% in August. The decision comes after inflation has crept higher and tariff effects are still transpiring. The Fed pointed to still existing "elevated uncertainty about the economic outlook".

Avg. US mortgage interest rates have dropped to 6.15% mid-week, now just 0.04% from a new 1-year low and within 0.10% of a 3-year low. Leading to near record home refinance applications from consumers. If lower rates can be maintained, it's likely to spur added economic activity as consumers gain more disposable income.

Looking Ahead: On the economic front, Philadelphia's Fed Manufacturing Index for September is calling for a 1.7 increase, above August's -0.3 and above '0', which is the separator of improving versus declining conditions.

	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	3.9	452.0	432	450	1.5	220.0	218	226	4.7	120.6	118	136
Est.	1.4				1.6				-1.0			
Propane	Total 97.6 1.5				Midwest 26.3 0.7				Gulf Coast 58.2 1.6			
API	Crude 1.25 Cushing NA				Gasoline 0.33				Distillates 1.50			

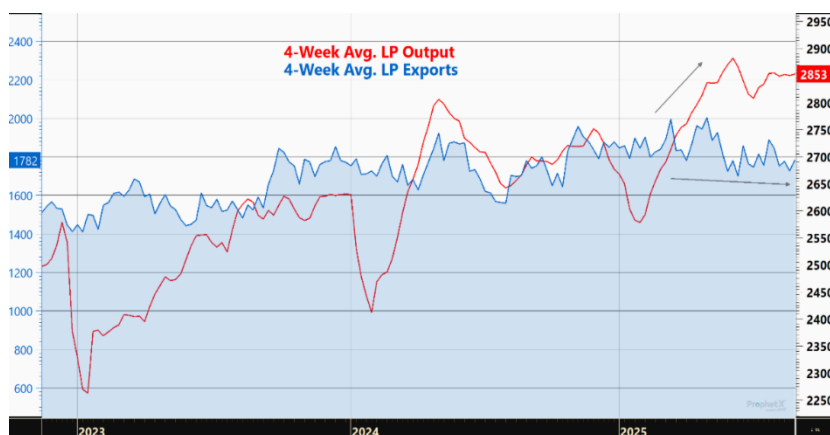
Propane outpacing 2024 record

- Week 36 inventories were 97.6 million bbls vs. week 36 - 2024 at 96.8 million bbls

- The gain from the inventory bottom in March 2024 to current stocks is 60 million bbls, a 4-year high with likely a few more weeks of builds

- Current 4-week avg. production is < 30,000 b/d below peak output at 2.85 million b/d

- Since February's low, propane production numbers have **climbed 250,000 b/d**

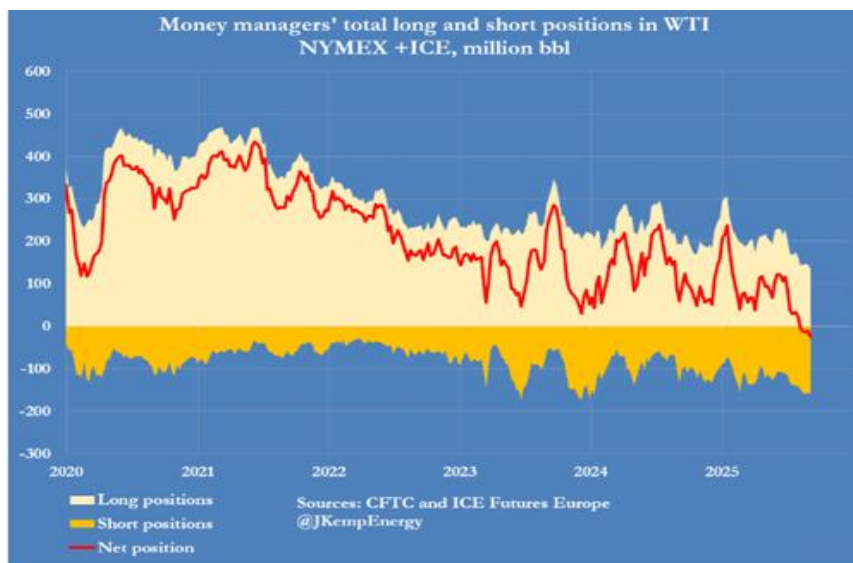


- Since April, production has been **50,000 - 100,000 b/d higher**
- LP exports have been **flat to lower** since the start of 2025

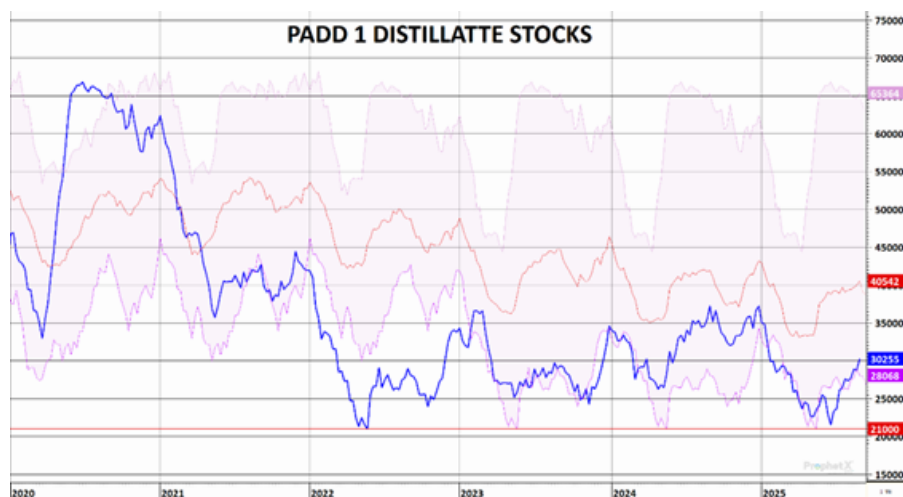
Why it matters: There are likely still a few more weeks of inventory builds. The last couple of years US demand and exports spiked the last few months of the year as colder weather moved in. If exports fall off the previous year's schedule, more opportunities for smaller draws and softer pricing will be present.

Kemp Energy indicates that the OPEC+ + output increase depressed hedge funds

- Investors sold petroleum early last week, as the nascent short-covering rally of the week was replaced by renewed pessimism about the economic outlook and concern about the impact of OPEC+ raising production faster.
- Hedge funds sold the equivalent of 63 million barrels in the six most important petroleum futures and options contracts over the seven days ending on Sept. 9th
- Reversing purchases of 69 million the previous week.



Low distillate stockpiles in the East Coast region (PADD I) of the US are a sign of tight supplies and could point toward stronger diesel prices as this fall's Harvest season unfolds and this winter's heating season approaches.



- Although the DOE reported PADD I distillate stockpiles increased by 1.5M bbls or slightly more than five percentage points to an eight-month high at 30.3M bbls last week and have increased in four of the past five weeks, inventories remain well below a year ago and the five-year average levels.
- Currently, East Coast distillate stockpiles are nearly seven million barrels or close 19% below level a year ago and have just climbed above their five-year low this past week.

Further, PADD I inventory is nearly 10M bbls or close to 25% below their five-year average, despite a stockpile increase of more than 8.5M bbls or 40% since their 2025 Summer low.

- Of note, there are still six weeks remaining in the peak hurricane season and a risk that the Ukraine-Russia war or Middle East conflict could erupt and propel distillate exports strongly higher, further tightening supplies as demand increases during the coming months.

Why it matters: PADD 1 distillate inventories can have an outsized effect on diesel prices due to their location at the New York City harbor market which is the main underpinning for NYMEX futures prices.