

# Gateway FS, Inc.

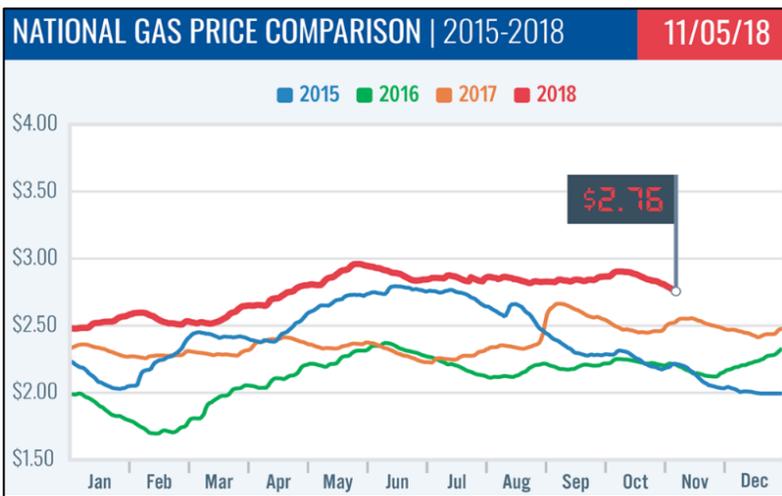
## Energy Market Update November 7, 2018

### NYMEX Prices

	Close	Wk. Change
Dec Crude Oil	\$61.67	-3.64
Dec Gasoline	\$1.6474	-0.1206
Dec Heating Oil	\$2.2371	-0.0247
Dec Natural Gas	\$3.555	+0.294

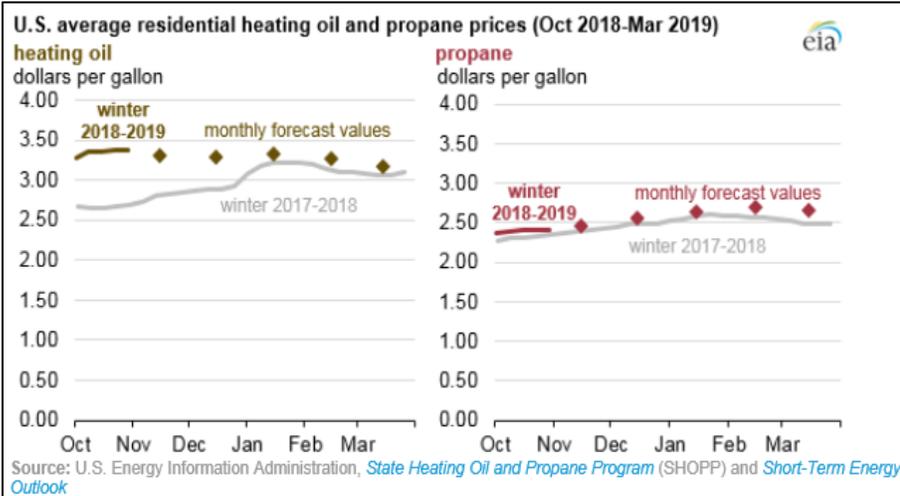
**Market Comments:** Oil prices fell on Wednesday, continuing their recent slide after surging U.S. crude output hit another record and domestic inventories rose more than expected. Crude output hit 11.6 million bpd which is a new weekly record. Diesel prices settled sharply higher on Thursday due to a large draw in U.S. distillate inventories. Propane prices were down this afternoon after a large build in U.S. inventories, and data showing that current stocks are on par with the prior five-year average. The U.S. stock market is having a great day where all three major indexes are up at least 1.75 percent with an hour of trading remaining for the day.

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	<b>+5.8</b>	<b>431.8</b>	449	438	<b>+1.9</b>	<b>228.0</b>	214	212	<b>-3.5</b>	<b>122.9</b>	138	133
EST.	+3.800/-1.000				-1.000/-3.500				+3.837/-3.100			
Propane	<b>Total +1.5 84.5</b>				<b>Midwest -.10 27.3</b>				<b>Gulf +1.9 46.1</b>			
API's	<b>Crude +7.830 Cushing +3.070</b>				<b>Gasoline -1.200</b>				<b>Distillates - 3.640</b>			



On November 5<sup>th</sup> the national average price for retail gasoline was \$2.76 per gallon, which is the cheapest price since the end of April. On the week motorists in every state but Hawaii are paying about 5 cents less to fill their tanks. The national average price is six cents less than a week ago, 15 cents less than a month ago, but 24 cents more than it was last year. As demand continues to decline, gas prices could get even cheaper. Analysts previously thought

there would be an increase in prices at the pump due to reimposed sanctions on Iran. However, when the decision was announced, the market reacted quickly with oil prices reaching as high as \$77 a barrel this summer. Since the market somewhat anticipated the sanctions on Iran throughout the summer, motorists likely have seen the worst in terms of retail prices for this year, according to a AAA spokesperson.

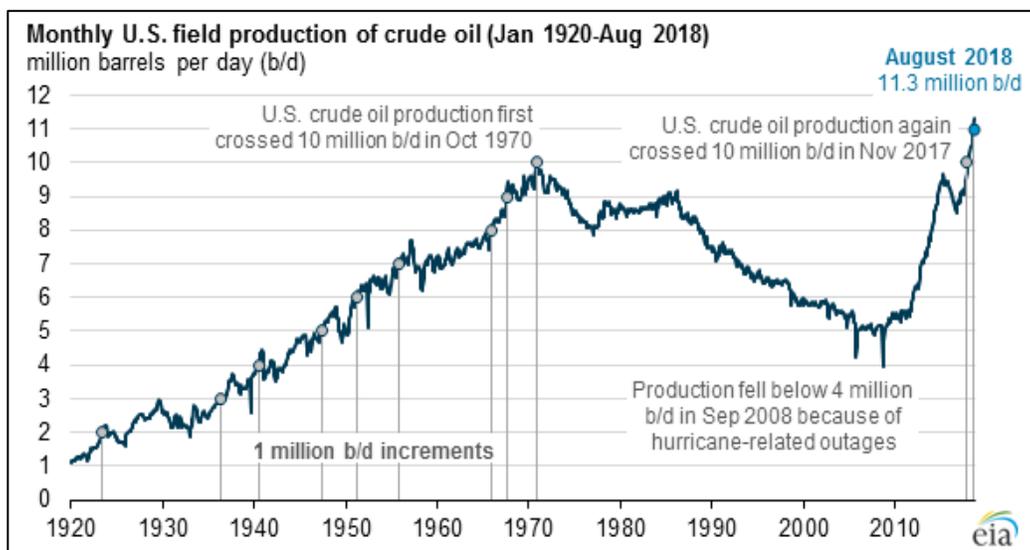
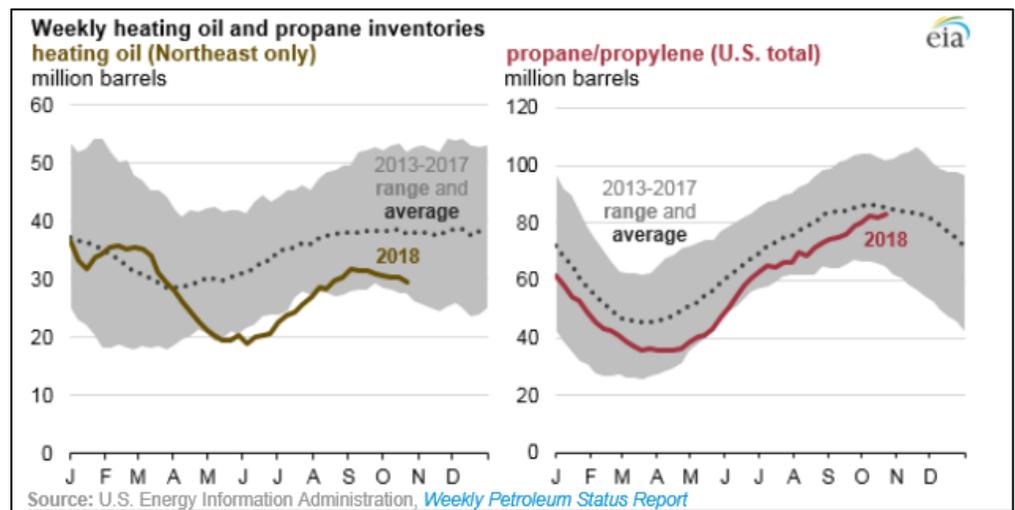


U.S. residential heating oil and propane prices started the 2018-2019 season 23% and 4% higher than at the start of last year's heating season, respectively.

The EIA forecasted that residential heating oil and propane prices will remain higher throughout the winter, which will contribute to higher expenditures. According to the National

Oceanic and Atmospheric Administration, the 2018-2019 winter is expected to be similar to last winter in much of the country, however temperatures in the Midwest are expected to be 3% warmer than last winter.

U.S. heating oil inventories are lower this year than last year, but are still within the range of the previous five-year average. Total U.S. propane inventories are 3% lower than the previous five-year average for that time of year. Because of inventories and other factors, average heating oil prices and propane prices are expected to be 18% and 1% higher than last winter, respectively.



U.S. crude oil production reached 11.3 million barrels per day in August 2018, according to EIA's latest report. This was up from 10.9 million barrels per day in July. This is the first time that monthly U.S. production levels surpassed 11 million barrels per day. U.S. crude oil

production exceeded the Russian Ministry of Energy's estimated August production of 11.2 million barrels per day, making the U.S. the leading crude oil producer in the world.