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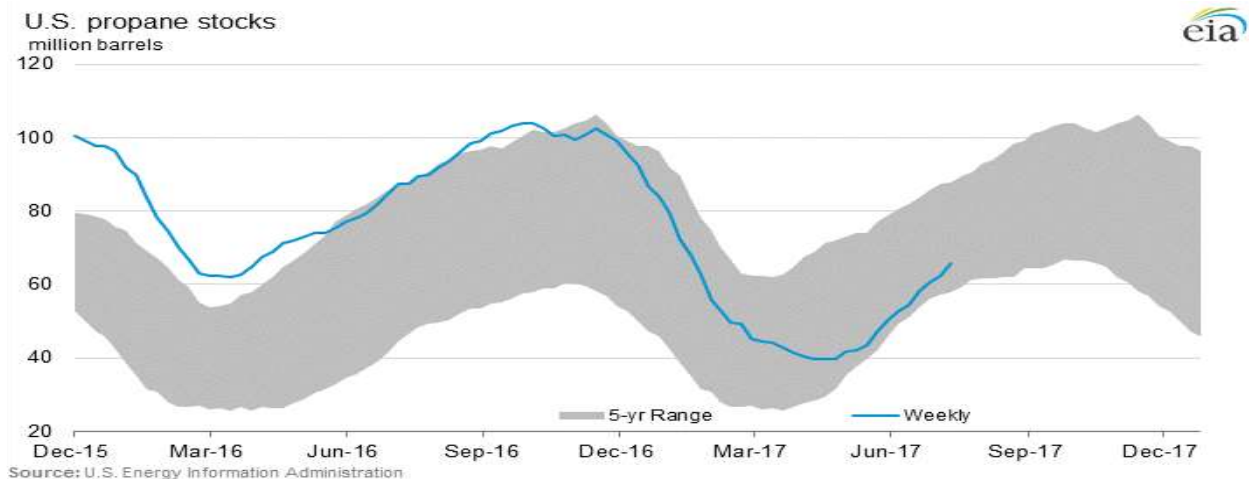
Energy Market Update July 26, 2017 NYMEX Prices

	Close	Wk. Change
August Crude Oil	\$48.75	+\$1.63
August Gasoline	\$1.6173	+\$0.0004
August Heating Oil	\$1.5514	+\$0.0439
August Natural Gas	\$2.926	-\$0.14

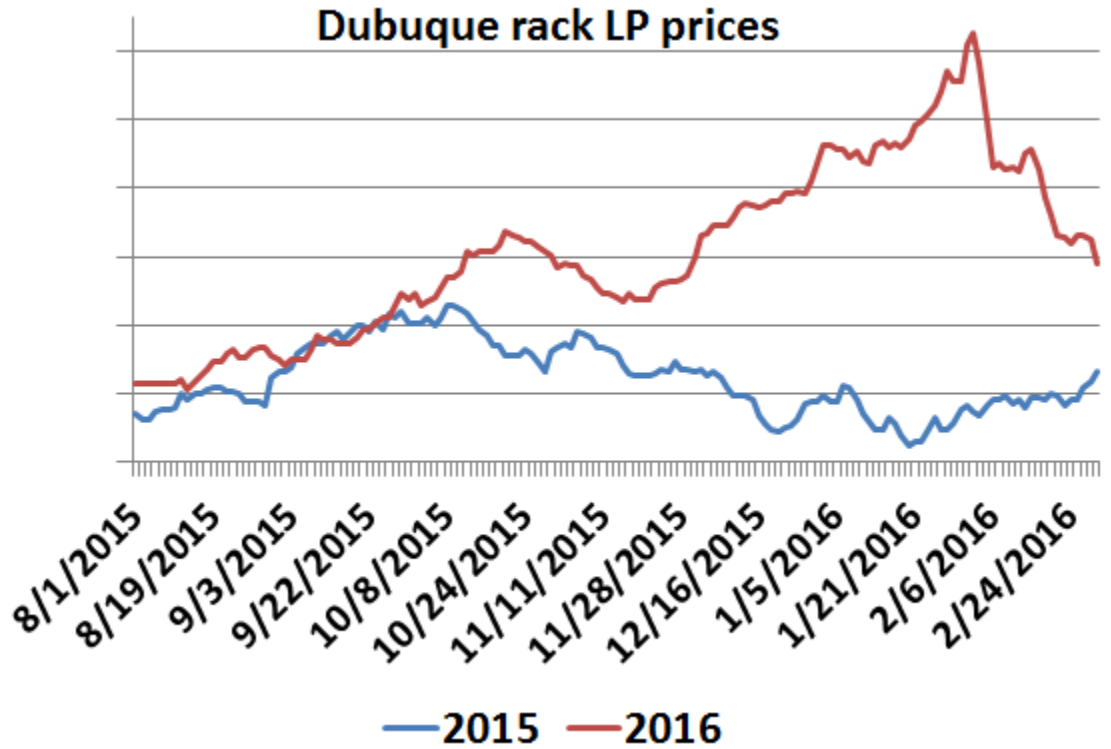
Market Comments: Feds left rates unchanged, and will start unwinding their bond holdings “soon.” We had a bullish inventory report today from the Energy Information Administration, with sizeable draws on fuel, and noticeably small builds on propane (and draw at the Gulf). U.S. crude production fell by 19,000 barrels/day with Alaska’s production down more than the higher production from the lower 48 states. Demand numbers were higher from nearly every sector, especially propane. Refinery runs were up over all, but down slightly for the Midwest and the Gulf Coast. The oil market has gone higher this week with promises from OPEC that they will be more vigilant with their production quotas, and a potential loss of crude imports from Venezuela.

	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	-7.208	483.4	451	420	-1.015	230.2	224	221	-1.852	149.6	141	135
EST.	-1.500/-6.125				+1.000/-5.500				+1.00/-3.000			
Propane	Total 65.9 +.2				Midwest 21.2 +.7				Gulf 36.7 -.5			
API's	Crude -10.230				Gasoline +1.903				Distillates -.111			

Low propane stocks compared to the last five years still remains the biggest reason why propane prices may be done softening. We saw some lower prices during June (particularly the third week of June), but prices have been strengthening since then. Days of supply are at 74.2 compared to 104.8 last year at this time.



This chart below shows the rack pricing pattern from Aug. 1 to March 1 for the two years when the U.S. had an extraordinary amount of inventory. In 2015 the U.S. had an excess of stocks with no outlet for them, so rack prices peaked early and fell. In 2016 there was a nearly identical amount of stocks, but exports had become much more important by then, and took up the excess inventory which kept rack prices supported throughout much of the winter season.



Since the beginning of 2017 the value of the U.S. dollar has been tracing out a downward chart pattern. The value has dropped more than 8 percent this year. The dollar has had to contend with political uncertainty, as well as central bank uncertainty with the possibility of a new head of the Fed next year. Certainly in terms of U.S. export business the weaker dollar is welcomed as it makes our commodities that much more attractive on the international market, such as crude oil, corn, soybeans, etc.



The weekly crop progress report indicated 62 percent of the U.S. corn crop was in good to excellent condition vs. 64 percent last week and 76 percent last year. As for soybeans, 57 percent was in the highest ranking vs. 61 percent last week and 71 percent last year.