

**Inc.**

## Energy Market Update March 23, 2016

### NYMEX Prices

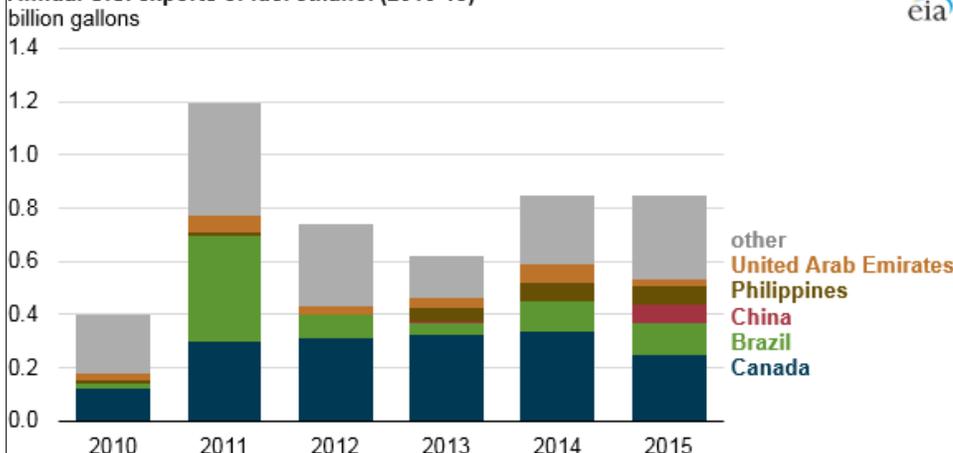
	Close	Wk. Change
April Crude Oil	\$ 39.76	\$ +1.29
April Gasoline	\$ 1.4474	\$ +0.0291
April Heating Oil	\$ 1.2034	\$ -0.0294
March Natural Gas	\$ 1.794	\$ -0.074

### **Market Comments: Energies all wrapped up sharply lower on Wednesday afternoon.**

It was a down day in the energy markets after the DOE report posted builds in both crude oil and distillates. In addition, the markets have ran fairly hard to the upside recently and were ripe for a correction move. The U.S. dollar was higher and stocks lower.

	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	+9.357	532.5	374	389	-4.642	245.1	223	224	+0.917	162.3	121	122
EST.	+1.250/+4.700				-3.500/0.00				-3.500/+0.600			
Propane	-0.3 62.2 Total				0 14.9 Midwest				-0.4 42.4 Gulf			
API's	Crude +8.800 Cushing -1.4				Gasoline -4.300				Distillates -0.400			

Annual U.S. exports of fuel ethanol (2010-15)



**U.S. ethanol production reached a record level of 14.8 billion gallons in 2015, surpassing the previous record of 14.3 billion gallons set in 2014.** As a result, U.S. exports of ethanol exceeded 800 million gallons for the second time in four years in 2015, totaling 844 million gallons. Driven by growing gasoline demand and air

quality concerns, China significantly increased imports of U.S. ethanol volumes in 2015, increasing from 3 million gallons in 2014 to 70 million gallons in 2015. U.S. ethanol has been a competitively priced octane booster for gasoline in foreign markets as well as an attractive option for meeting renewable fuel and emissions programs. In addition, countries such as Canada and Brazil have ethanol-blending mandates that continue to generate demand for U.S. ethanol.

**In a press conference over the weekend, Oman’s Minister of Oil and Gas, Mohamad Al Rumhi**, said that Non-OPEC member Oman is ready to reduce its oil production by 5 to 10 per cent “if other oil OPEC producers are willing to do so.” However, Al Rumhi, who was speaking at a press conference in Muscat, said that Oman has not yet been invited to attend the OPEC meeting in Doha. That meeting, scheduled for April 17, will see OPEC and non-OPEC oil producers meet to discuss a possible freeze on oil production.



In early February a low was traced out in the gasoline market. Since that point in time the market has gained approximately \$0.60. The next significant resistance level comes in at the \$1.55 region. The last time prices were within this price range was back in August of 2015.

**Retail gas prices have come up since the Late January/Early February bottom of crude oil at \$26.18 per barrel.** We are very close to last year’s prices but still well below previous years. With May Crude Oil at \$41, the next big move will be the “results” of the OPEC/Non OPEC meeting being scheduled for April 17<sup>th</sup>.

