



Gould Oil Co., Inc.

Energy Market Update, September 29, 2021

NYMEX Prices

Product	Month	Close	Wk. Change
Crude Oil	Nov 21	74.83	+2.60
RBOB Gas	Oct 21	2.2293	+0.1054
NYH ULSD	Oct 21	2.3075	+0.0959
Nat. Gas	Nov 21	5.477	+0.672

Market Comments:

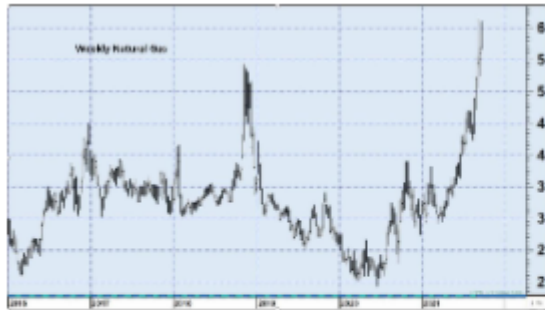
It was a mixed market on Wednesday, as gasoline and distillates wrapped up higher and crude oil lower. The market focused on the DOE numbers that were released mid-morning and the numbers showed builds across the board in all products. The most encouraging was the build in propane, but certainly has a long way to go to get back to more comfortable levels.

In other news today, it is being reported China's electricity curbs risk wider damage this time. Beijing may eventually capitulate and take a step back on its emission control measures, but skyrocketing coal prices mean many Chinese power plants are operating at lower margins or even at a loss.

	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	4.6	418.5	457	456	0.2	221.8	236	236	0.4	129.7	146	148
Est.	-1.500 / -4.800				+1.000 / -3.000				+1.500 / -2.000			
Propane	Total 72.9 2.6				Midwest 25.0 0.4				Gulf Coast 33.8 1.4			
API	Crude -4.73 Cushing -0.126				Gasoline -6.2				Distillates -2			

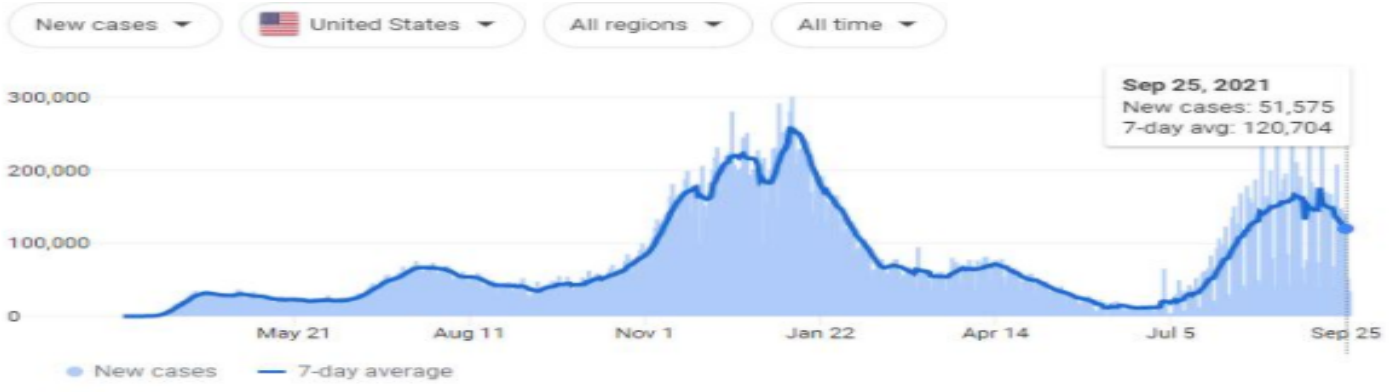


Activity in the crude oil market has taken on positive momentum as prices broke through the \$70 barrier and have continued to gain upside momentum. The next target comes in at \$77, which was the high established back in June 2021. This is a significant resistance region as this was also the high formed back in October 2018.



The trade has been keeping a watchful eye on natural gas prices as they continue to soar to the upside. Currently prices are trading at levels the market has not experienced since November of 2018. Prices don't have a lot of resistance levels in their way, as we have to go back to February 2014 to find any strong resistance regions.

Prices for natural gas have surged more than 180% over past 12 months to \$5.90 per million British thermal units.



The entire U.S. continues to keep close watch of COVID cases here in the U.S. The number of cases started to uptick in late summer but appeared to have topped out in mid-September and are now tracing out a downward trend. Some are speculating the winter months could result in another spike, but we will have to wait and see.

Propane exports continue to remain at the top end of the 5-year average range as US prices remain discounted to world markets. Just looking at the forward curve spreads, exports should continue to remain strong as the US price discount widens the further out on the curve. As of last week's inventory report, Gulf coast inventories were 34% behind average levels.

