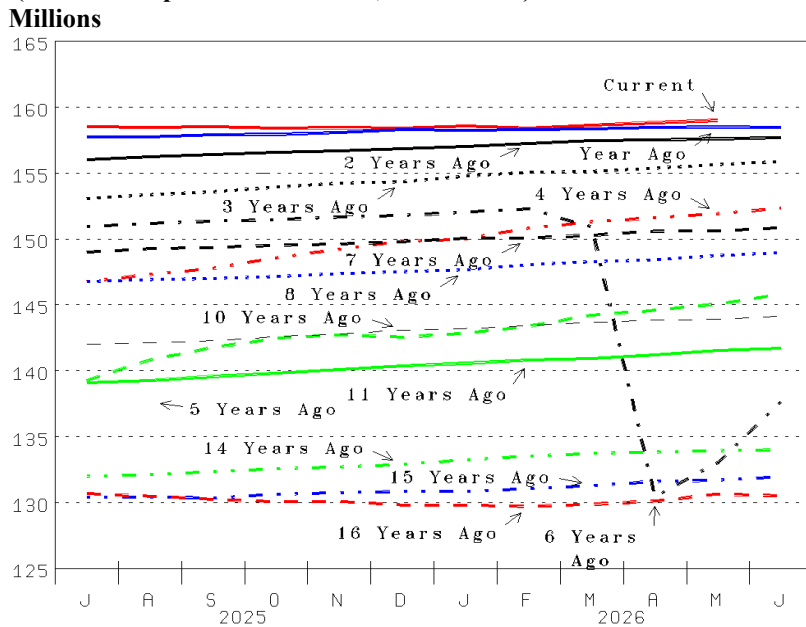


The Fracking Revolution Working Here & Freedom Growing Over There Have UP The Direction We Head With Prosperity Production Growing Here.

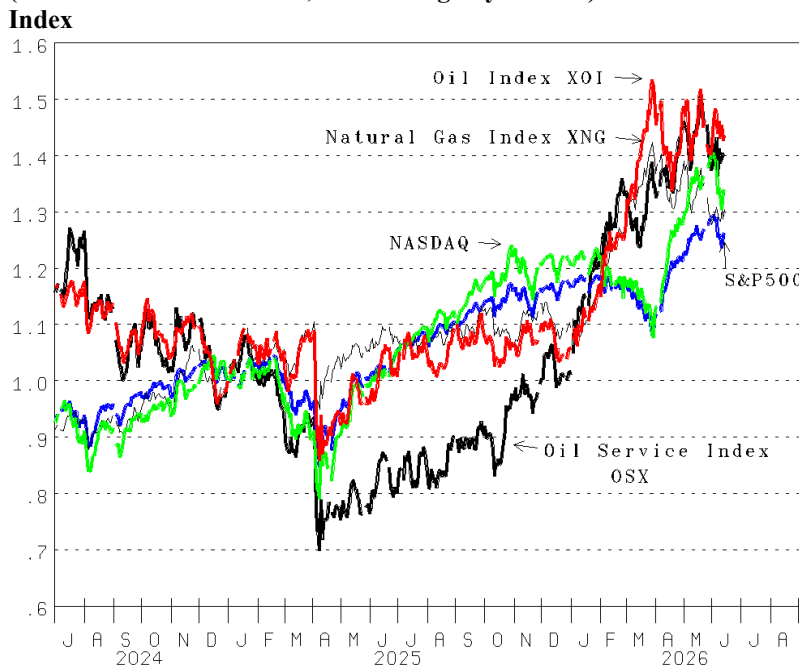
Figure 1 Number of people employed in America, total nonfarm Seasonally adjusted, from the Establishment (CES) Survey (Src: U.S. Department of Labor, Labor Stats)



Employment Increasing and it more than expected confirms prosperity producing growth the direction we head.

Establishments increasing employment 172,000 in May to another new record high of 159.001 million (Figure 1, red line) was notably better than expected. So was March revised up 29,000 to 214,000 and April revised up 64,000 to 179,000.

Figure 2 Stock Price Index (*) Comparisons (Indexed to 1.0 12/31/2024, last trading day of 2024)

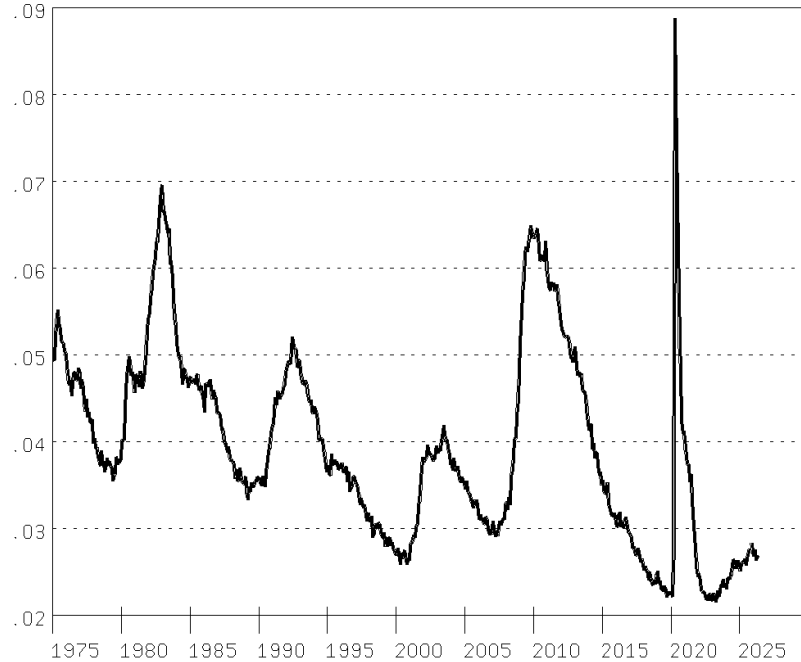


More working, producing prosperity is also reflected in increasing value: more stock market record highs.

While the new Administration imposing Tariffs last year in April dropped stock prices (Figure 2) and increased fear and uncertainty, the NASDAQ (green line) set another new record closing high of 27,093.90 and the S&P 500 (blue line) 7,609.78 June 2nd. Well up from last year's April lows. More working producing prosperity is evident in the Oil Index (XOI), the top performer (red line) and the Oil Service Index (OSX, bold line), next.

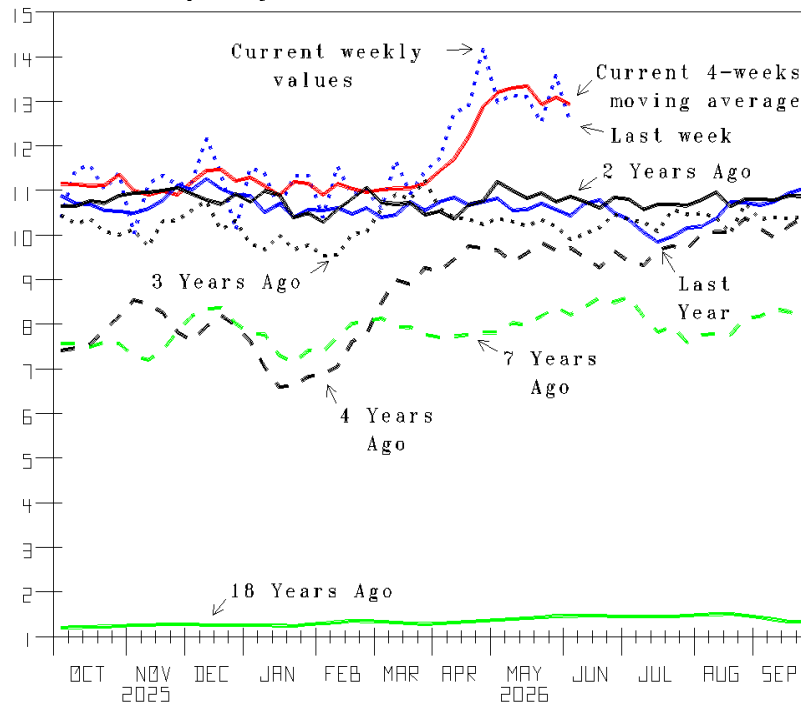
And news now, progress on achieving real Peace in the Middle East (not years more war) needs more working here producing more prosperity ingredients.

Figure 3
Percentage of the U.S. Non-Institutional Working-Age Population Unemployed, 16 years and over
 (Src: calc. from the Population Survey, Census Bureau data)
 Percent



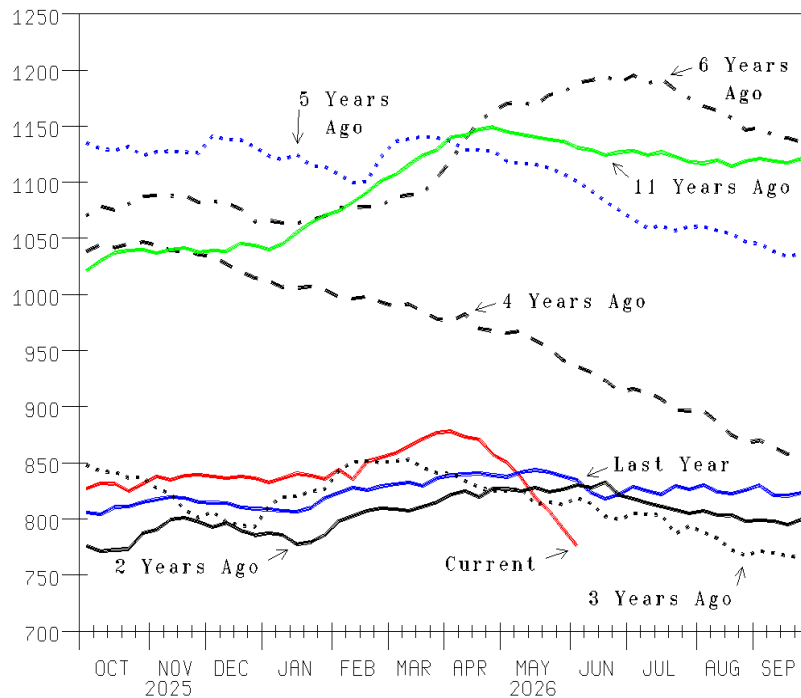
Despite recession and inflation fear high along with uncertainty, the percentage of the working-age population unemployed down low highlights growth is where we are and head. The percentage of the working age population unemployed (Figure 3) is a good measure of recession. This down as low as it is continues to indicate U.S. economic growth happening.

Figure 4
U.S. Crude-Oil and Total Petroleum-Product Exports, Latest weekly and 4-weeks moving averages
 (Src: Calculated from U.S. Department of Energy data)
 Million barrels per day



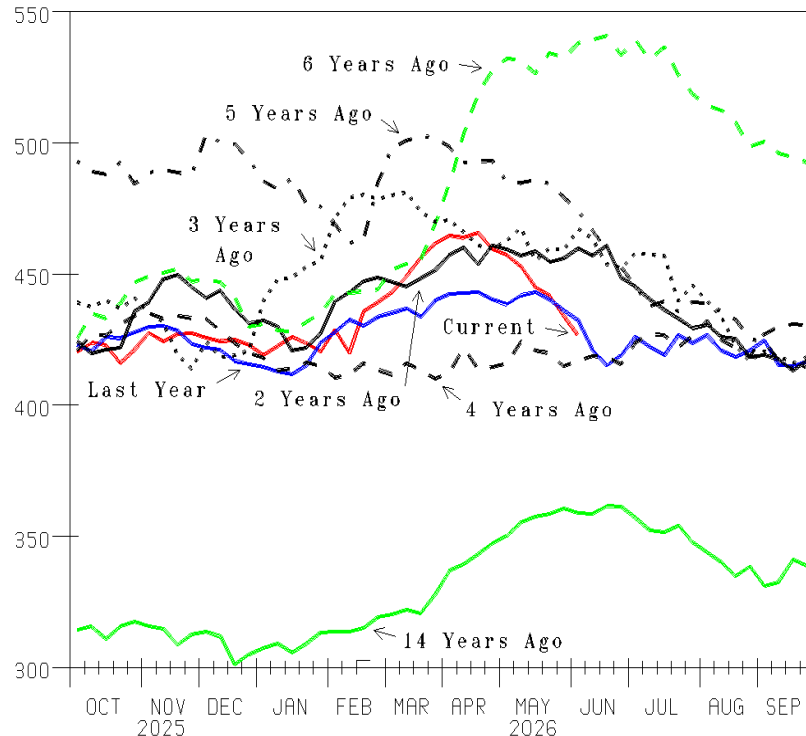
More in the world living better lives is an important part of more Americans gainfully employed. Employment and stock markets setting record highs reflect prosperity production increasing. The Fracking Revolution made to work (thank you Geoge Mitchell) had U.S. oil exports surge, from down near only 1.0 million barrels per day (mmbd) in 2007 to 11.384 as the year started (blue dot). While 12.928 the average the last four weeks (red line) reflects more needed because of the effort to end the Ruler's of Iran's 40+ years long war for domination, we predict many more soon living peaceful lives will need much more energy as they produce more prosperity and are Blessed by it too.

Figure 5
U.S. total crude-oil inventory; Commercial and Strategic Petroleum Reserve (SPR, Src: Department of Energy)
Million barrels



World crude oil supply disrupted by the effort to end the Rulers of Iran’s war is now drawing U.S. crude oil inventory down. Total U.S. commercial and Strategic Petroleum Reserve (SPR) inventory has been declining much since supply Over There was disrupted (Figure 5, red line).

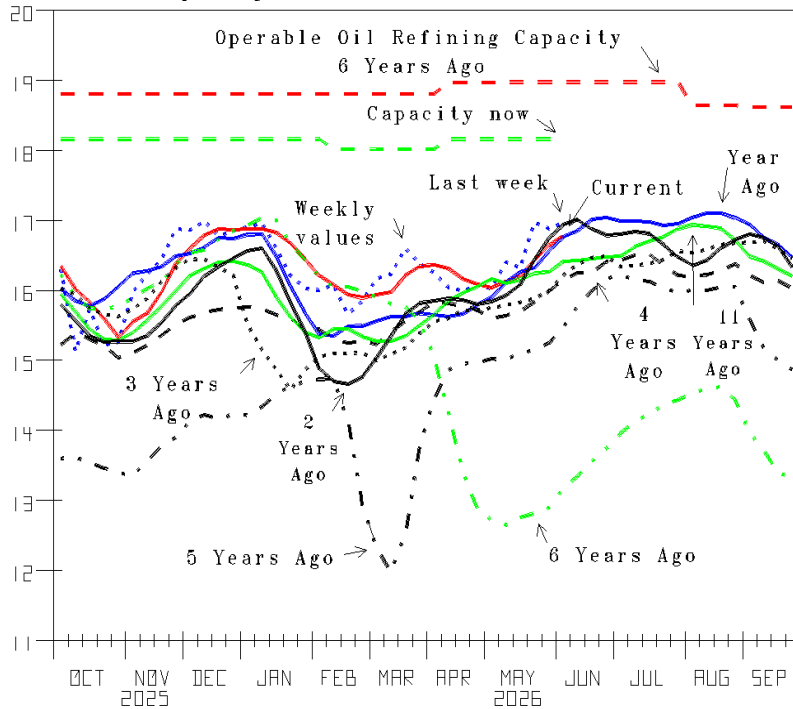
Figure 6
U.S. Commercial Crude Oil Inventory (Src: Department of Energy)
Million barrels



Nevertheless, the Fracking Revolution having U.S. production setting record highs and much inventory in the Strategic Petroleum Reserve have Commercial Inventory (what is in the oil refining system) at a good operating level. Production up setting new record highs and crude oil drawn from the SPR has Commercial crude oil inventory at 426.5 million barrels (mmb) June 5th (Figure 6, red line), only 5.9 fewer than last year (blue line).

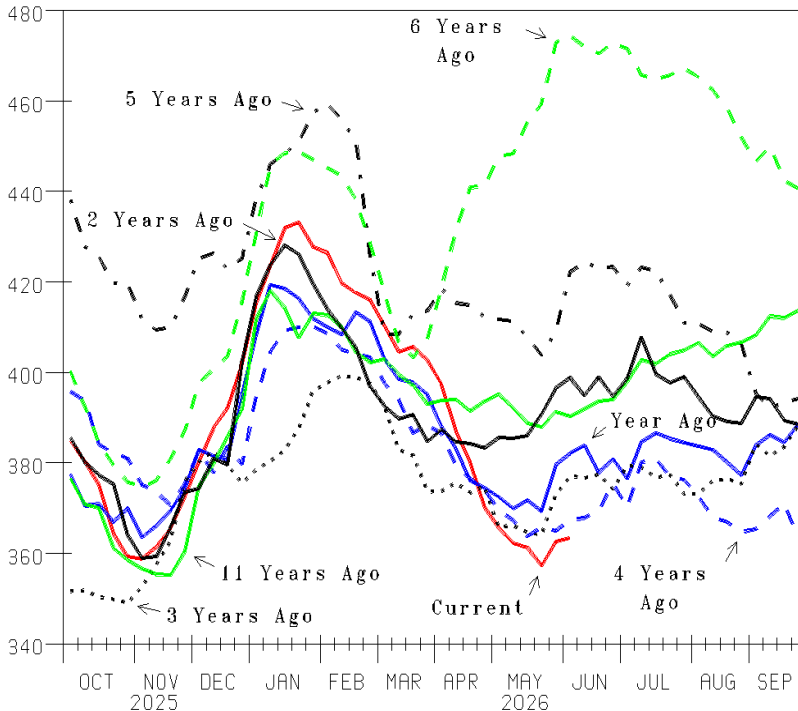
Restoring taking time plus this effort including: VERIYING Peace Actions Truly Happen, supports our prediction: growth and a Bullish Drilling Boom is the direction we head.

Figure 7
U.S. Oil Refinery Runs – 4-week averages and the latest weeks
 (Src: Department of Energy data and calculated from it)
 Million barrels per day



Economic Freedom here having The U.S. a world oil supply leader has UP the direction we head. Crude oil supply here good has U.S. oil refinery runs up in record-high territory (Figure 7, blue dot and red line).

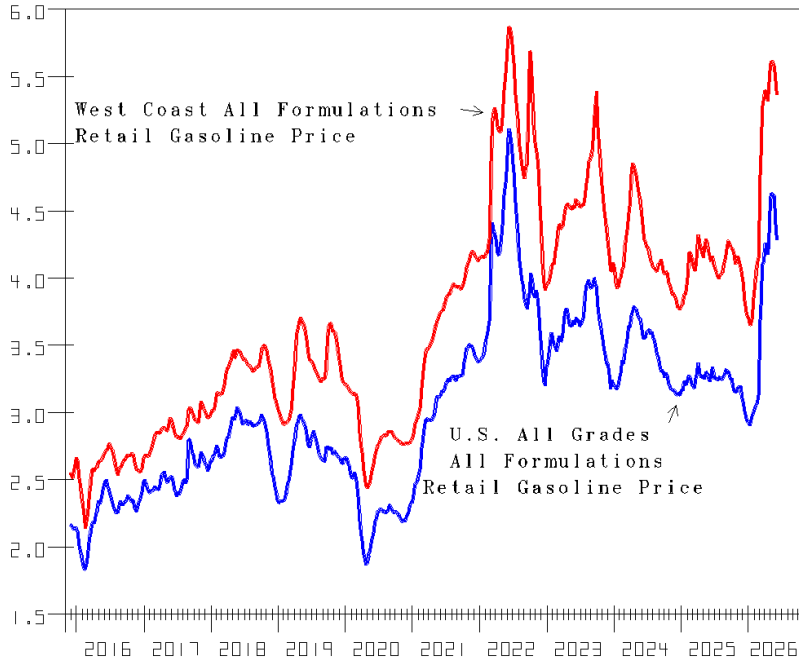
Figure 8
U.S. Distillate, Gasoline & Kerosene Inventory
 (Src: Calculated from Department of Energy data)
 Million barrels



The many Free to do what needs to be done and guided by Free Markets has inventory of the oil mankind uses in good shape, despite being low.

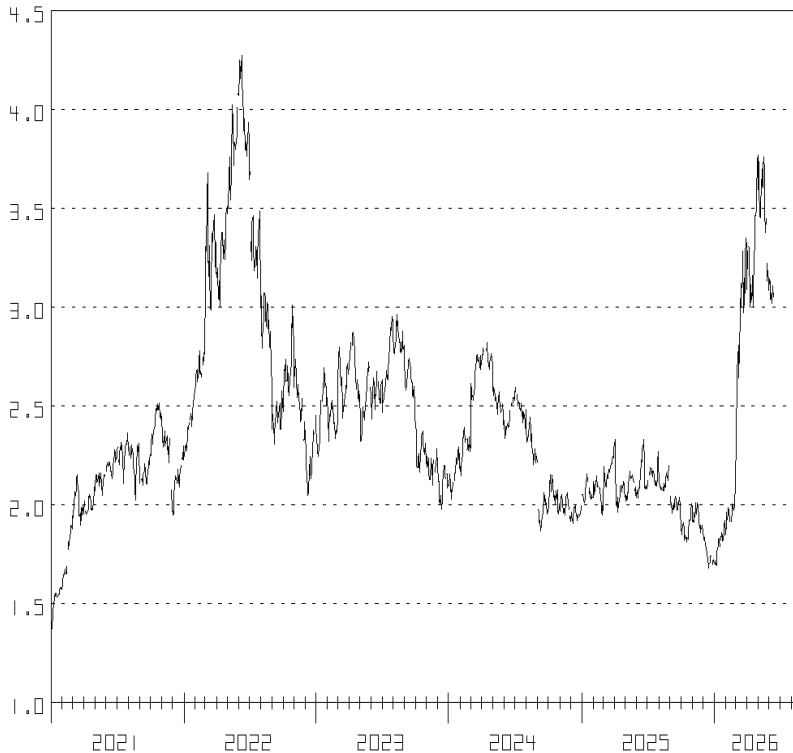
Inventory of distillate oil (diesel and heating), gasoline and jet kerosene dropping to new lows (Figure 8 red line) increased fear and trepidation. Nevertheless, this inventory increasing the last two weeks highlights the seasonal pattern of being prepared to fuel Summer. American employers and employees at work.

Figure 9
United States Weekly Retail Gasoline Prices
 (Src: U.S. Department of Energy)
 Dollars per gallon



Better supplied and Free to do and doing what needs to be done now is reflected in lower retail gasoline prices than the year 2022 crisis. Supply of much for the world not coming from the Persian Gulf jumped retail gasoline prices (Figure 9). Nevertheless, the current highs are lower than the 2022 highs. We credit different current policies for the U.S. average price (blue line) nicely lower now than the West Coast price (red line), than it was in 2022.

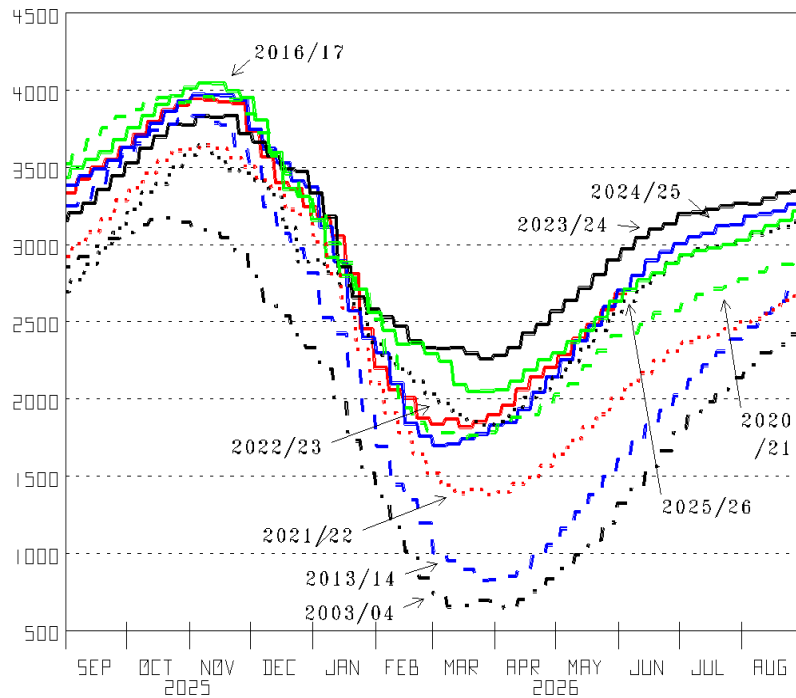
Figure 10
Gasoline-New York RBOB daily closing futures price
 (Src: Wall Street Journal)
 Dollars per gallon



Markets and Freedom at work is evident in relief in the cost of gasoline happening. Many responding and working have \$3.050 per gallon Friday's first-month closing futures price for New York, RBOB gasoline. That is down 72.2 cents from the short-squeeze jump high of \$3.772 April 3rd, when the May 2026 contract expired.

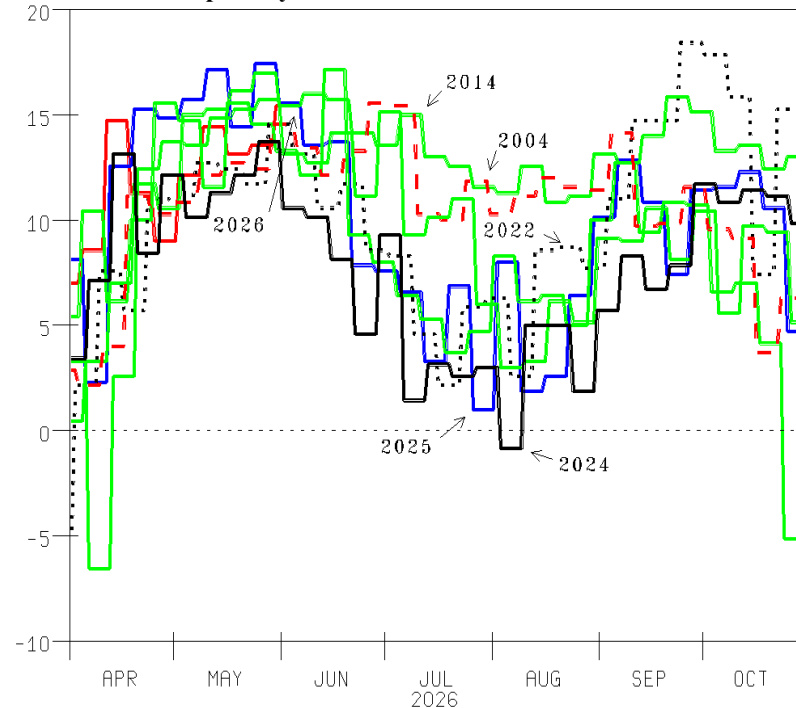
News of Peace Progress having crude oil for July delivery down \$4.36 per barrel now, to \$80.52 suggests another 10.4 cents per gallon gasoline price decline.

Figure 11
U.S. Working Natural Gas Inventory
 (Src: U.S. Energy Information Administration)
 Billion cubic feet



While oil inventory extra low has oil prices extra high, natural gas inventory high has natural gas prices down in Buy-Low territory. Winter 2025/26 nicely mild needed only 2,131 Bcf of natural gas from working inventory (Figure 11, red line). Record high production, Summer and Fall mild had 3,882 Bcf in inventory October 24, only 68 less than the day's record high. Winter needing 2,142 had inventory March 20th 1,818 Bcf, 668 below the record high. However, temperatures remaining mild since, have inventory June 5, 2,686 Bcf, only 306 below the record high.

Figure 12
Weekly Change in Total U.S. Natural Gas Working Inventory
 (Src: Calculated from U.S. Energy Information Administration data)
 Billion cubic feet per day



While inventory moving toward the record high is encouraging bearishness, injections 6 of the last 7 weeks notably less than last year support our bullish natural gas outlook. From April 17 to May 29 weekly inventory increases the 6 weeks this year have averaged 12.26 Bcf per day (Figure 12, red line), 3.45 less than 15.71 last year (blue line). Yes, the latest week, ending June 5th was a 15.43 bcf/d increase, essentially the same as 15.71 last year. Nevertheless, notably lower 6 of 7, despite production record high and this the time of year when solar generation is setting new record highs supports our bullish natural gas outlook.

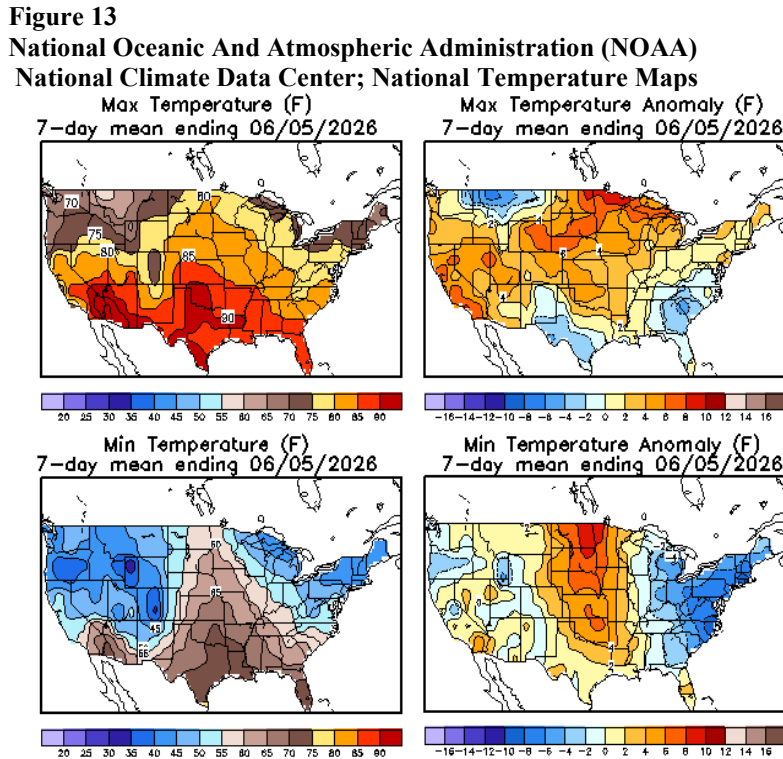
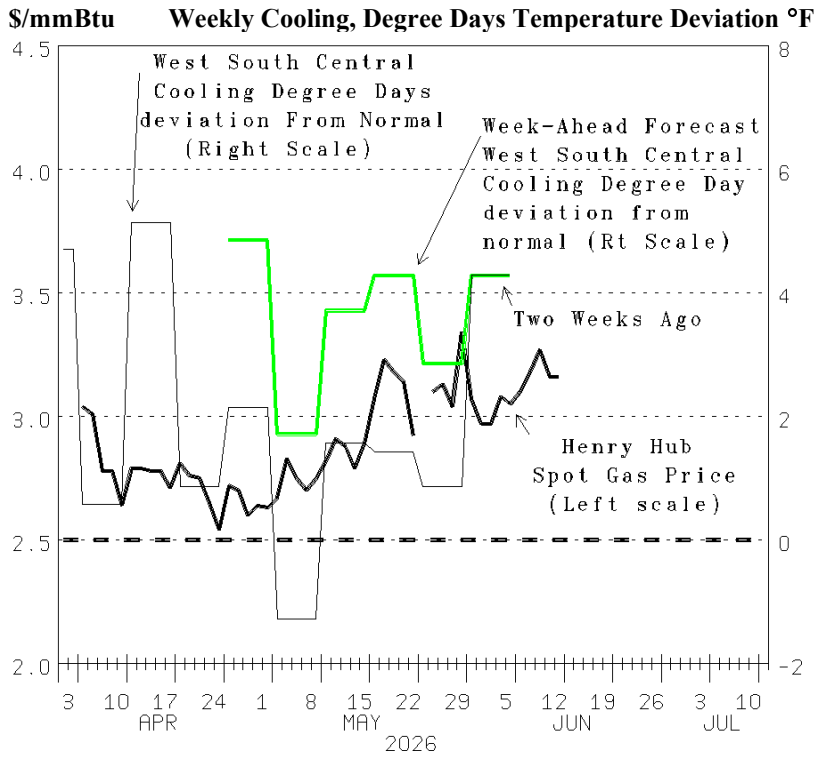


Figure 14
 Henry Hub Spot Gas Price versus weekly, West South-Central Region Population-Weighted, Cooling-Degree-Day-Deviation from Normal, Beginning of Week Forecast Deviation and Actual Deviation (Src: Gas Price-DOE; Degree Day-Calc. from NOAA data)



Climate Changed to what it was explains the latest natural gas inventory increase up with last year's. Also, why temperatures aren't caused by the air's CO2 content. Natural gas inventory up the week ending June 5th is its 4th largest in 33 years. Demand was minimized by much of West Texas to the East Coast having colder than normal maximum temperatures (Figure 13, top-right graph, shades of blue) minimizing air conditioning demand + the highly populated Eastern third of the U.S. having colder than normal minimum temps (bottom-right graph, shades of blue) minimizing too. Also, the upper Midwest, (top-right, shades of orange to red) warm minimizing heating demand. Only wind patterns, not CO2 content explains it all.

Despite gas inventory high, hours of sunlight increasing have natural gas prices trending higher and set to jump with July/August heat. The West South-Central Region mid-April, 5 °F warmer than normal (Figure 14, line, right scale) minimizing heating demand had the Henry Hub spot price deflate to \$2.540 per mmBtu (bold line, left scale). Since then, hours of sunlight increasing, increasing air conditioning demand has the price trending up. Prices and expectations low and some areas of the country predicted to next be cool have a Summer price jump set up. **Infrastructure trends, much of late minimizing, AI activity increasing, Over There growing too with work to end/restore war destruction, conventional energy expectations low, + much poorly understood has conventional-energy-Bullish happening. We rate nat gas, crude oil, oil-focused E&P and Drilling & Oil Service Overweight Strong Buy; and Oil-Refining BUY.**