Energy
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Inc.

Energy Market Assessment

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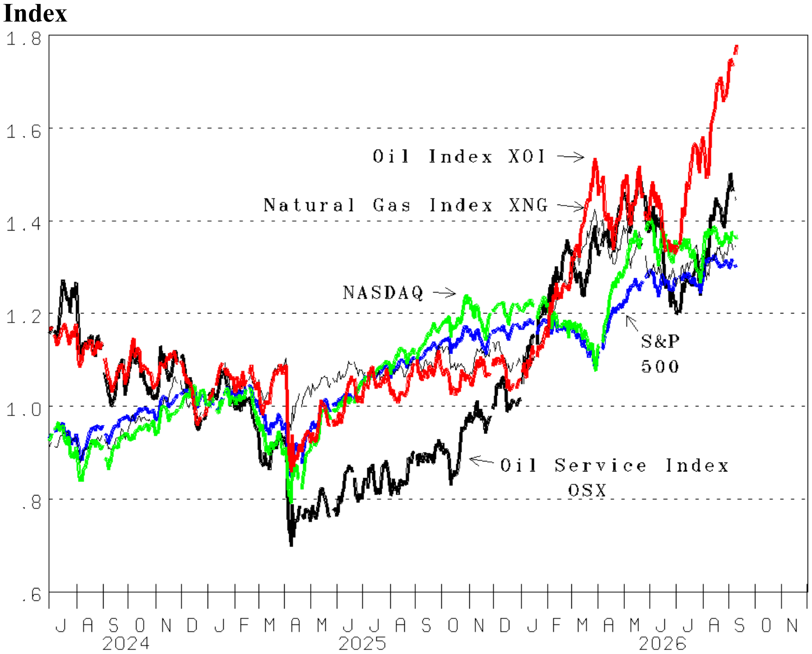
While Reasons To Fear Are Emphasized Much, More Common-Sense Working Has UP The Direction We Head With Prices Highlighting What's Needed Most.

Figure 1
Range for the S&P 500 Stock Index
(Src: Standard & Poor via finance.yahoo.com)
Index

Reasons to fear include WTI crude oil above $100 today, with more Iranian Ruler aggression deflating mainstream stock prices again. Nevertheless. . . The S&P 500 stock index dropped from 7,000 toward 6,300 in March (Figure 1) with the Operation Epic Fury action to end the decades long war by those ruling Iran. It dropped again into June, and it is declining again of late with military action continuing. **. . . value much higher and declines smaller indicate progress towards peace despite the enormous weapons effort those ruling prepared**.

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



News that Yemen's Houthis have seized control of a Red Sea Port is the new news for $100+. The spot market price of West Texas Intermediate (WTI) crude oil dropping from above $110 in May to below $70 as July began deflated the Oil Index (XOI, Figure 2, red line) from above 2,700 to below 2,350. However, weapons still existing throttling supply has WTI back above $100, the Oil Index above 3,157 and the S&P 500 (blue line) down to 7,636 today from its 7,798 record high August 13. **Prices signaling both needs, and Real, common-sense-Peace continuing to be pursued have Better the direction we head.**

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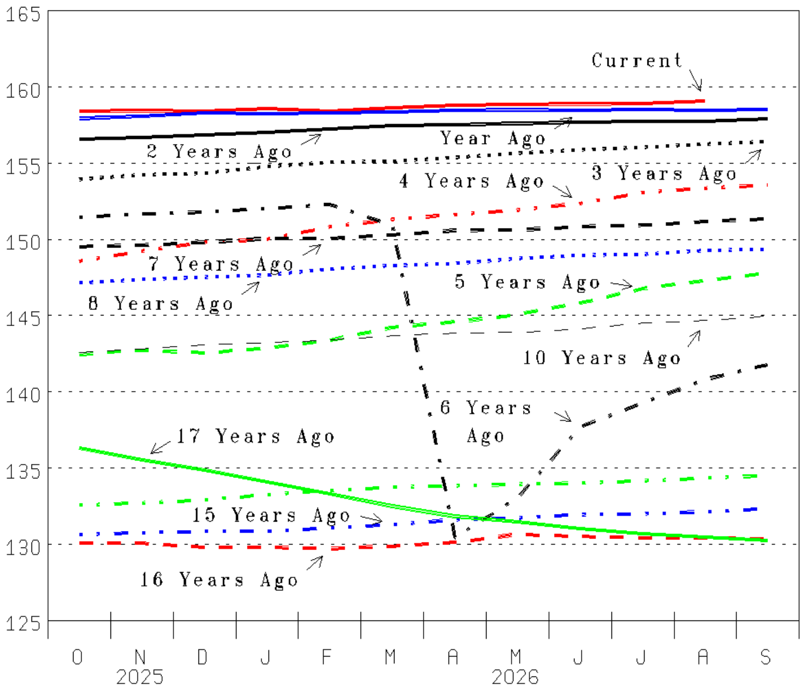
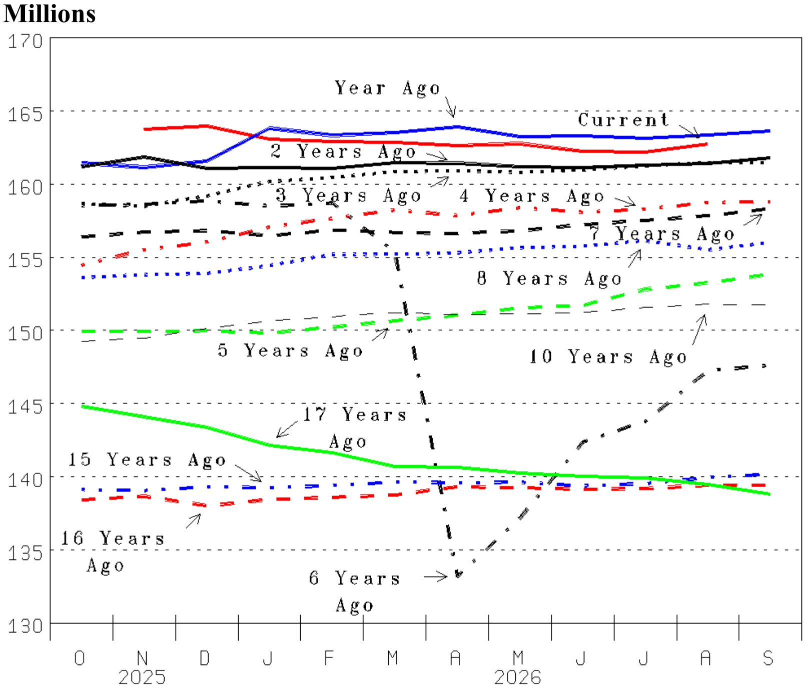
Figure 3
Number of people employed in America, total nonfarm
Seasonally adjusted, from the Establishment (CES) Survey
(Src: U.S. Department of Labor, Labor Stats)
Millions



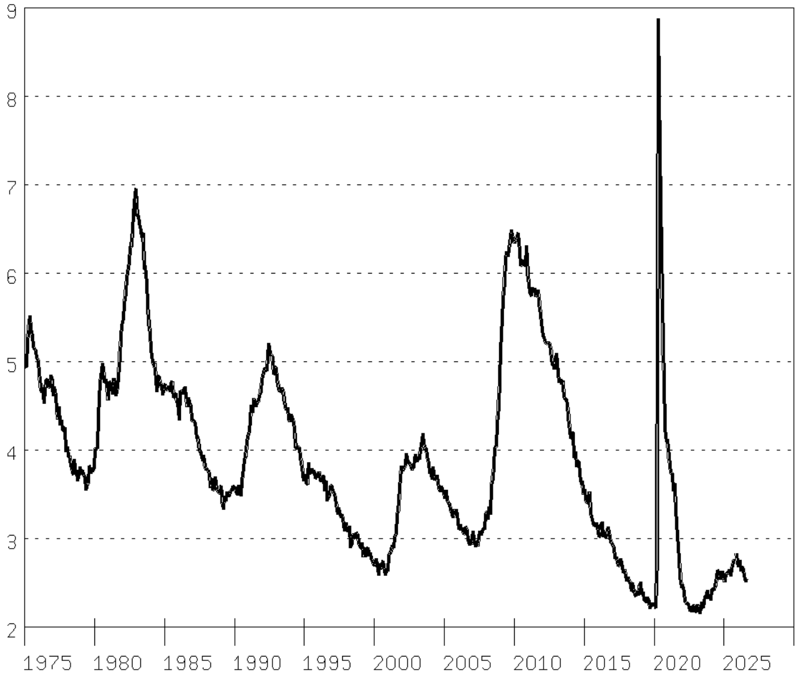
More needing to be done being done is evident in the big, August U.S. employment report surprise. Last Friday's U.S. employment report was a big positive surprise. A 53,000 increase was the consensus expectation of the job increase in August. Instead, 159.075 million were employed (Figure 3, red line), 162,000 more than July and July was revised up 44,000 and June up 11,000. **The notable, consensus-beating employment increase despite the many reasons given to worry sustains our bullish outlook.**

Figure 4
Number of people employed in America, 16 years and over
Seasonally adjusted, from the Current Population (CPS) Survey
(Src: U.S. Department of Labor, Labor Stats)
Millions



Plus, Establishments adding 162,000 jobs in August was beaten by the Population Survey showing a 569,000, August employment increase. The other Employment Survey, of the overall population by the Census Bureau showing decline since December was another reason helping some worry. 162.177 million in July was down 1.815 million from 163.992 in December (Figure 4, red line). However, 162.746 million in August is a 569,000 increase from July. And while 162.746 is 624,000 fewer than August last year (blue line), Federal Government employment down 250,700, from 2,323,500 million last August (red line) to 2,072,800 now and stock markets setting higher record highs supports our conclusion: we head in the right direction.

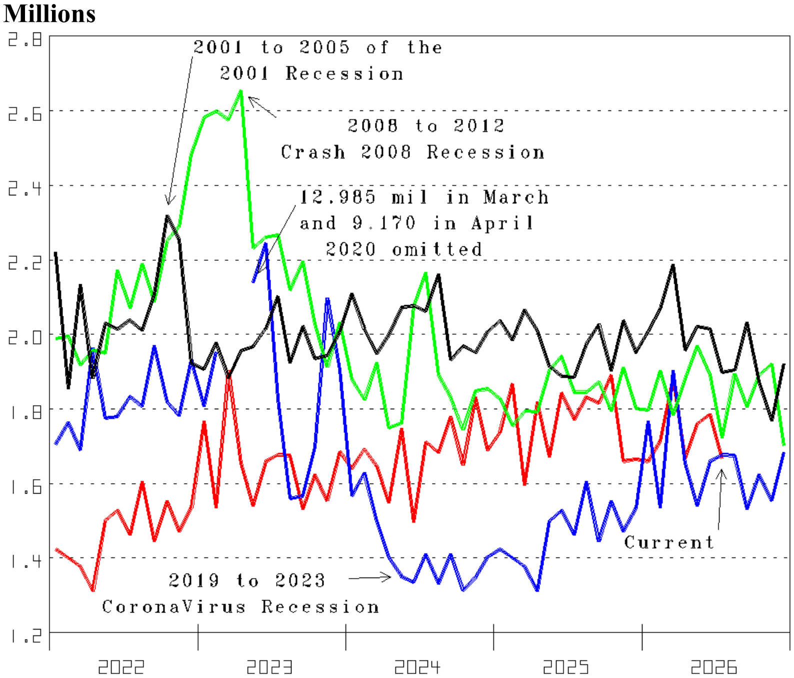
Figure 5
Percentage of the U.S. Non-Institutional Working-Age Population Unemployed, 16 years and over
(Src: calc. from the Population Survey, Census Bureau data)
Percent



The percentage of the working-age population unemployed down low is another indication of positive economic growth where we are and where we head.

Recessions, all about many becoming unemployed, are clearly evident in the working-age population unemployed percentage (Figure 5). Recessions and growth are very clear. This down at 2.553 % in August from the rise to 2.833 % last November is another indication of progress being made. Common sense being pursued.

Figure 6
Monthly, seasonally-adjusted number of non-farm layoffs and discharges in the US at the end of the month
(Src: Bureau of Labor Statistics, U.S. Dept of Labor)
Millions



Employers needing workers to Do/Be/Have more is also evident in the number of layoffs and discharges down in economic growth territory. Recessions all about people losing jobs are also evident in the data on the monthly number of layoffs and discharges (Figure 6). 1.666 million in July (red line) continues to be down in economic growth territory.

Figure 7
Initial Unemployment Insurance Claims – United States
Seasonally Adjusted Data
(Src: Calculated from U.S. Dept of Labor Statistics)
Thousands per week

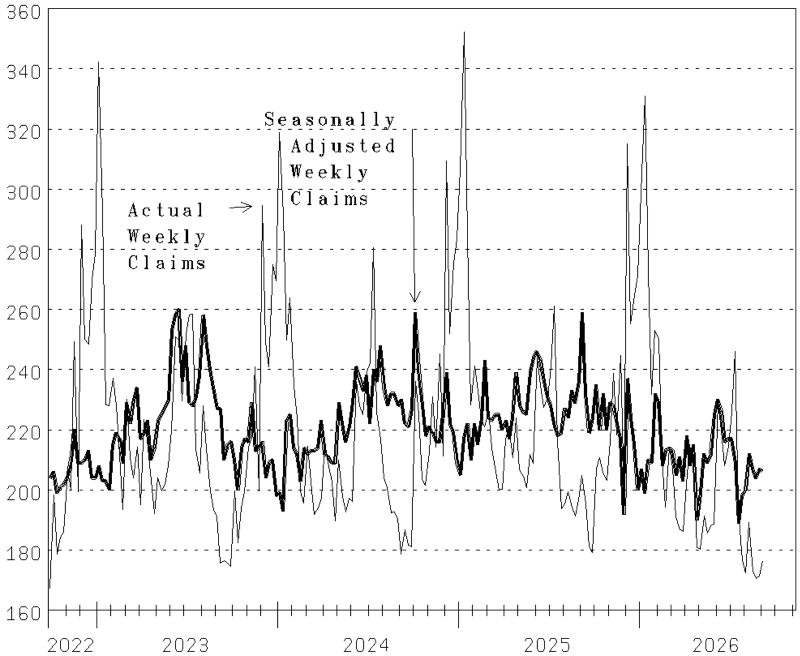
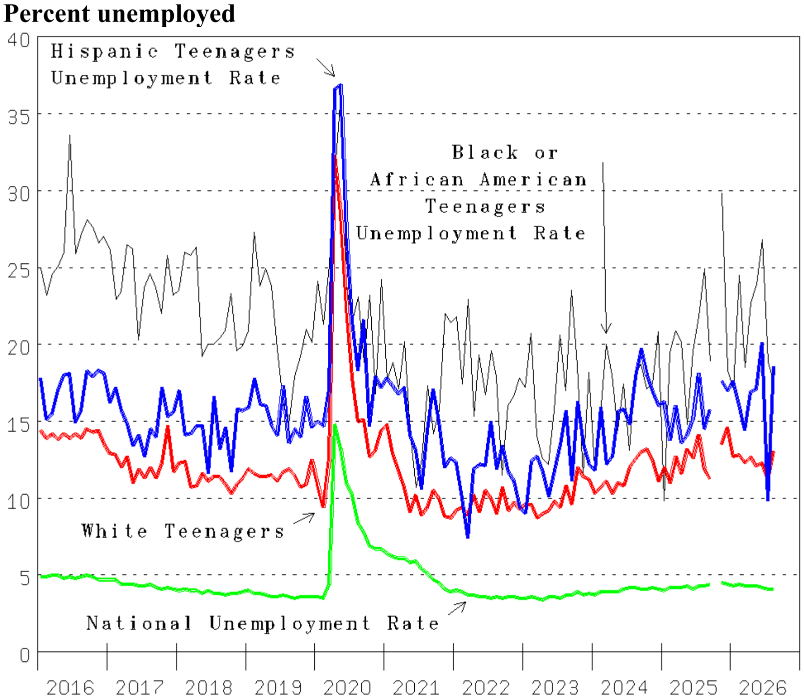


Figure 8
U.S. Unemployment Rate, 16-19 years of age & national average
Seasonally adjusted, from the Current Population (CPS) Survey
(Src: U.S. Census Bureau for the Department of Labor)
Percent unemployed



Economic growth happening despite much affordability concern is also evident in weekly unemployment insurance claims down low. Weekly unemployment insurance claims are another measure of economic activity. The recessions of the 1980s to Crash 2008 had weekly claims increase from lows around 300,000 per week up to 500,000 and toward 700,000. Seasonally adjusted claims (Figure 7, bold line) lower than last year and mostly between 200,000 and 220,000 confirm employers needing employees, economic growth happening.

Improvement happening is also evident in teenage unemployment rates trending down this year after trending up from 2021 to 2025. Upward mobility of the masses the best society goal involves getting people started at participating in producing and enjoying prosperity. Teenage unemployment rates trended down from 2016 to 2021 (Figure 8). We credit restrictive policies for then trending up through 2025 and policy improvements for down resuming now. **Much of late minimizing, infrastructure trends, 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.**