Energy Directions, Inc.

# Energy Market Assessment

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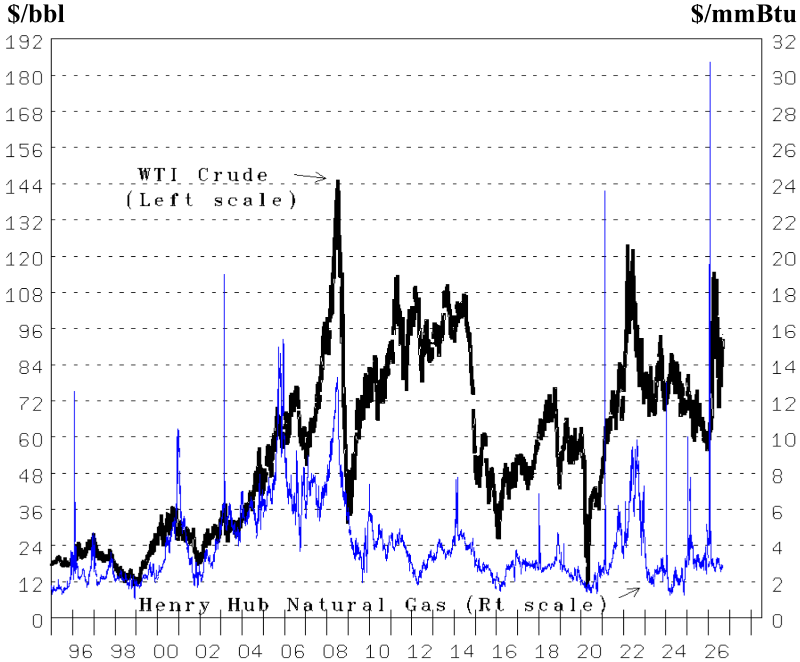
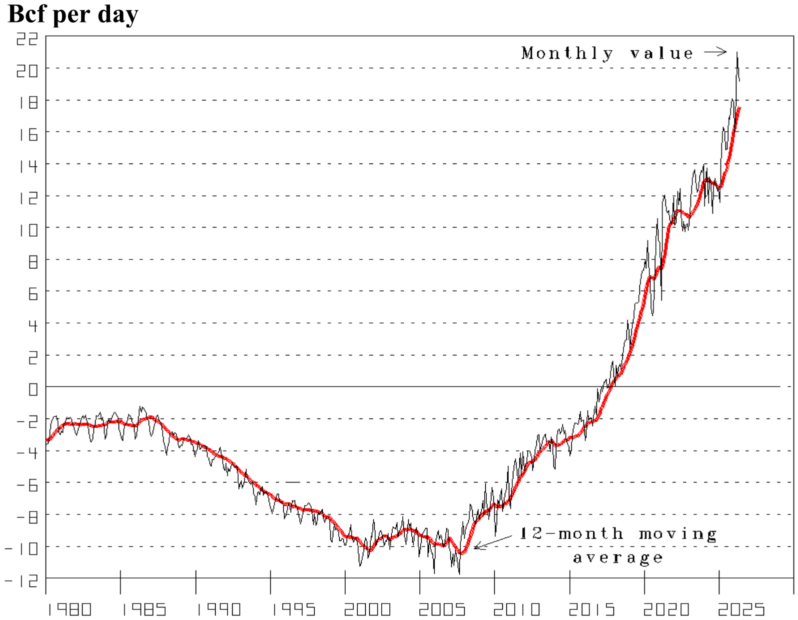
## The U.S. Now The World's Largest Petroleum And Natural Gas Exporter Has Higher Prices Funding Growth, Prosperity Production And Value UP.

**Figure 1**
**Oil & Natural Gas Price Comparison**
**(Src: Oil Price-Platt's Oilgram & Department of Energy (DOE); Natural Gas Price-DOE)**




**Back in 2008 the price of crude rising to $145 per barrel gave us Crash 2008. Up to $100+ now is funding growth.** This century having oil and natural gas supply growth fall behind demand growth had the price of West Texas Intermediate (WTI) crude oil rise up and peak in July of 2008 at $145 per barrel (Figure 1, bold line). The Henry Hub spot price of natural gas increased to $13.275 per mmBtu then (blue line). The rises were helped by thoughts that peak production was reached. However, the Fracking Revolution working for natural gas and then oil, powered the S&P 500 from 1,262 then to 7,656.98 today.

**Figure 2**
**U.S. Natural Gas Net Exports: Exports Minus Imports**
**(Src: Calculated from U.S. Department of Energy data)**




**U.S. growth is now being fueled by the Fracking Revolution made to work here for natural gas and oil.** The S&P 500 rising from 300 in 1990 to 1,500 in 2000 was fueled by the U.S. becoming the world's largest importer of natural gas (Figure 2) and oil. Islam Radicals, willing to be killed to kill 25 years ago today, destroying the two World Trade Center towers, then helped the S&P 500 drop to 1,100. Many Americans working hard now have the country the world's largest natural gas and oil exporter. **Ending the decades of war, led by those ruling Iran, finally happening has us see sustained, positive growth being fueled.**

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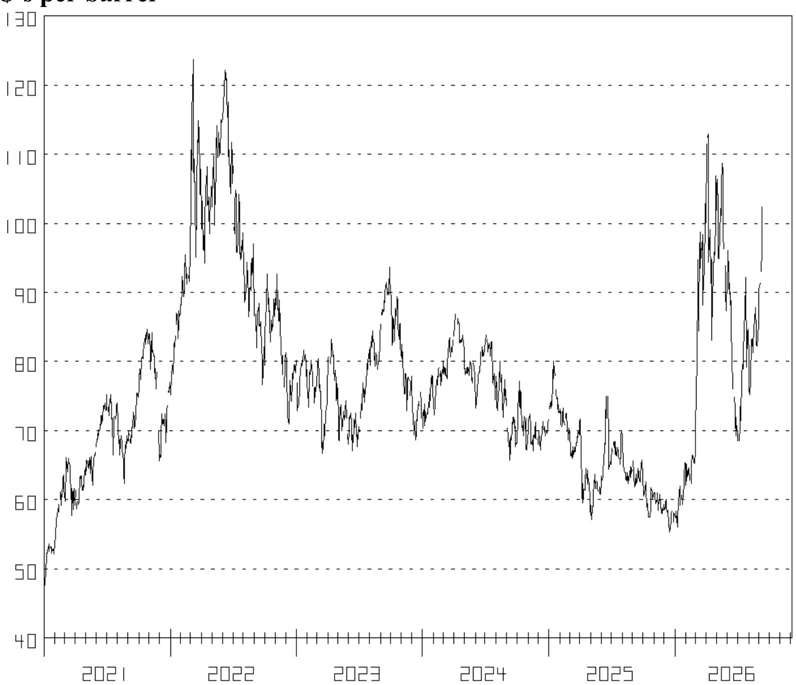
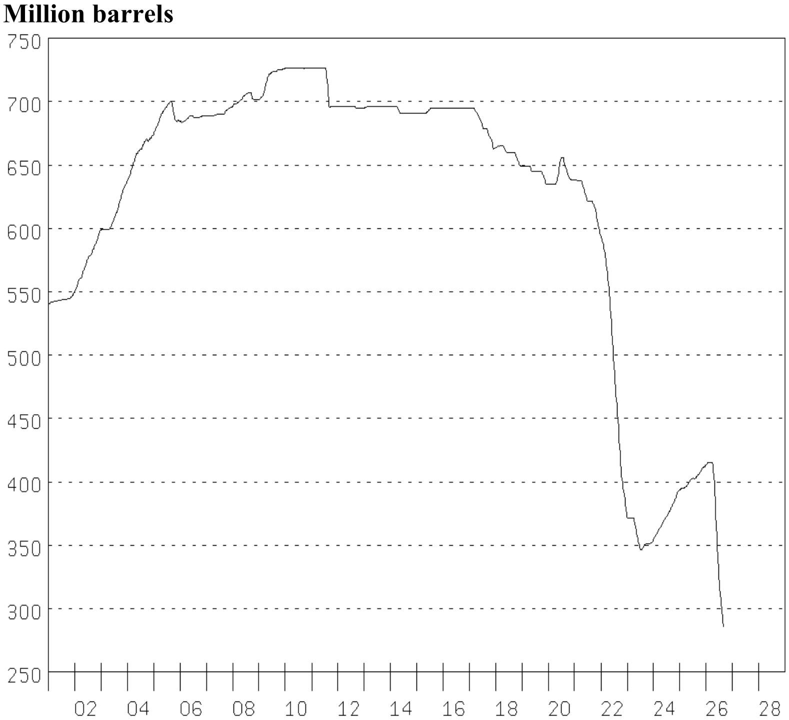
**Figure 3**
**Near Month Closing Futures Contract Price of WTI Crude Oil**
**(Src: Wall Street Journal)**
**$’s per barrel**



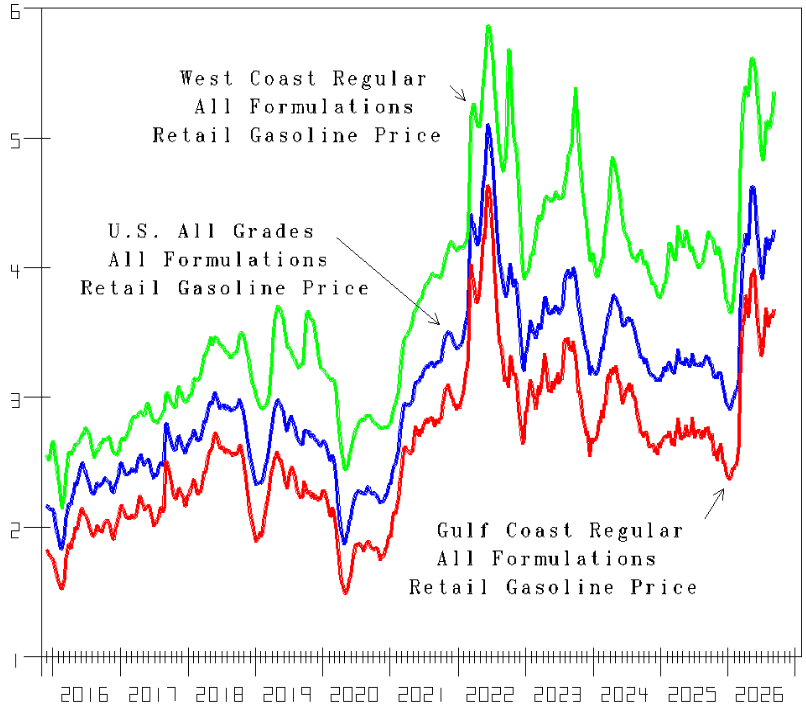

**The crude oil price back above $100 on more Middle East terrorizing, and today the 25th anniversary of the attack on the World Trade Center Towers highlights the importance of finally ending the decades of the terrorizers terrorizing war.** Operation Epic Fury jumped the near month’s closing crude oil futures contract high up to $112.95 April 7th (Figure 3). Weapons still existing had it $102.48 yesterday. However, $10.47 below the high (-9.3%) highlights crude oil progress.

**Figure 4**
**U.S. Strategic Petroleum Reserve (SPR) Crude Oil Inventory**
**(Src: Department of Energy)**
**Million barrels**



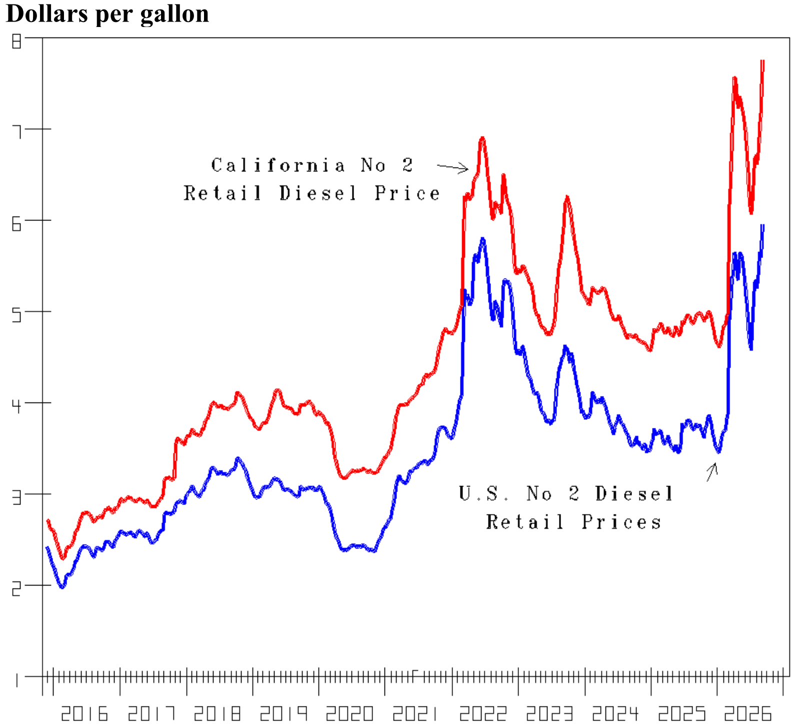

**Using the crude oil SPR is the reason crude oil prices are not setting new highs.** We believe the 9/11/2001 attack on America resulted in preparation that increased the quantity of crude oil in the Strategic Petroleum Reserve (SPR) from 541 million barrels (mmb) as 2001 began to 727 as 2011 began (Figure 4). Price relief was provided from the crude oil price jump to $123.70, with Russia invading Ukraine (Figure 3), by supplying 247 mmb from the SPR. 68 mmb added bringing it back up to 415 this year has allowed 130 mmb to be supplied since February. And the price yesterday be 9.3% below the recent high. **However, we do not have SPR’s for petroleum products.**

**Figure 5**
**United States Weekly Retail Gasoline Prices**
**(Src: U.S. Department of Energy)**
**Dollars per gallon**



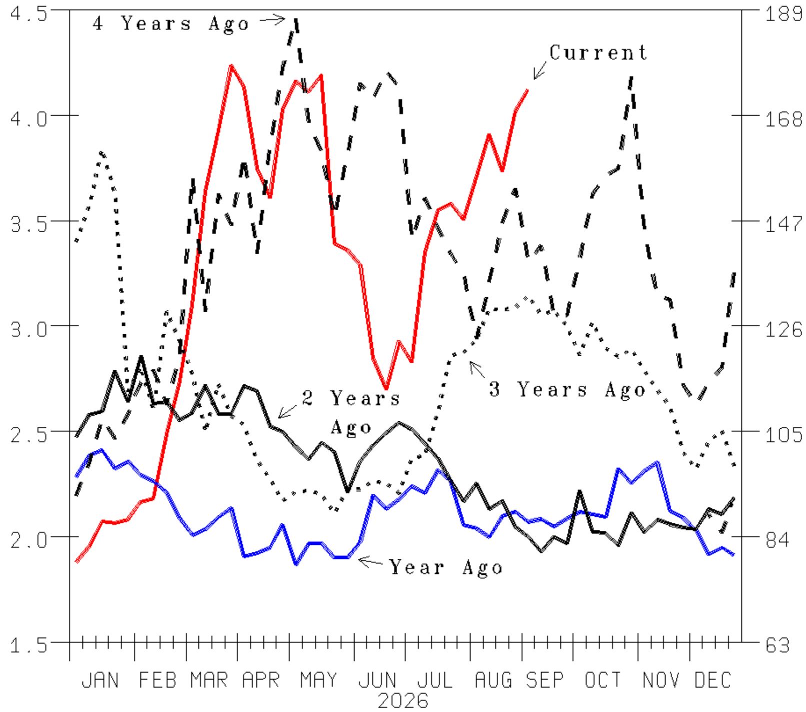

**130 mmb of SPR crude oil keeping the price of crude oil below its Russian invasion high has retail gasoline prices below year 2022 highs and this year's high.** Retail gasoline prices (Figure 5) have jumped with the effort to finally end the decades of war by Iran's rulers. We credit markets working for this jump not as high as the jump that occurred when Russia invaded Ukraine.

**Figure 6**
**United States No 2 Diesel Weekly Average Retail Price**
**(Src: U.S. Department of Energy)**
**Dollars per gallon**



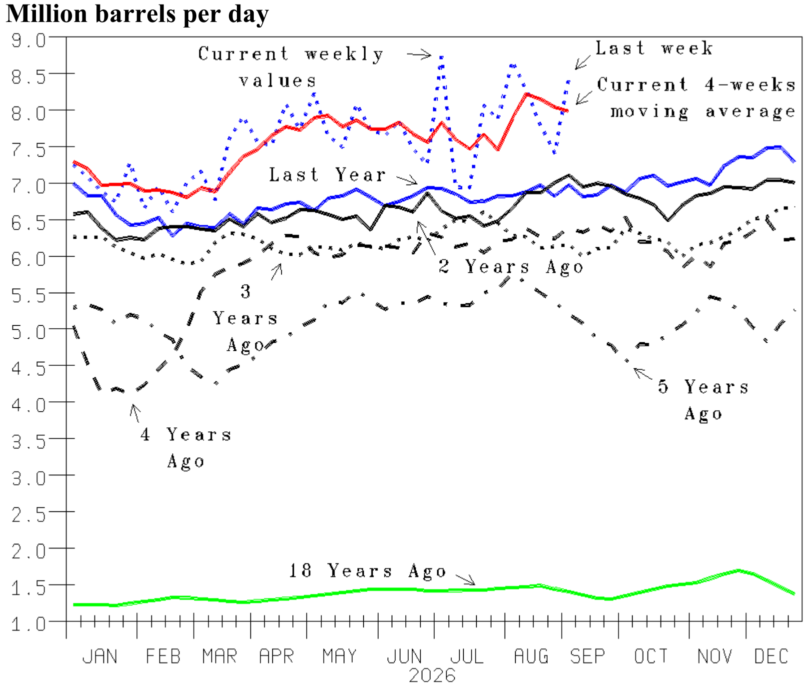

**The challenge is the cost of diesel and heating oil.** While crude oil and gasoline prices are not setting new highs, distillate oil (diesel and heating) prices are (Figure 6). The average U.S. retail diesel price reaching $6.056 per gallon for the first time ever (blue line) is helped by **the average California retail diesel price as high as $7.983, $335 per barrel** (red line). **Ruler's rules/regulations and dictates make a notable difference.**

**Figure 7**
**United States Gulf Coast Kerosene Type Jet Fuel Spot Price (FOB) on Mondays**
**(Src: U.S. Department of Energy)**
**Dollars per gallon**



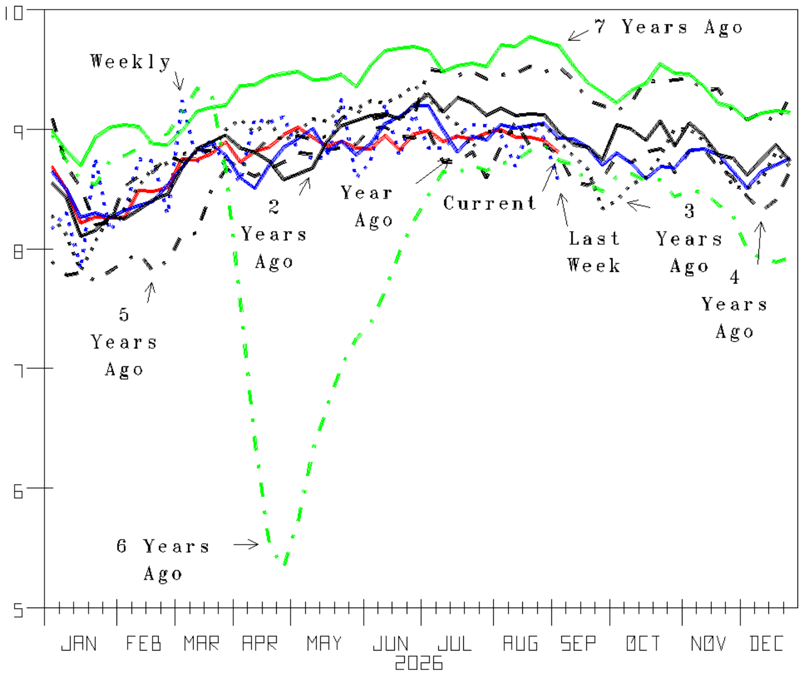

**Jet fuel is another high cost being born—a spot price of $174 per barrel.** Jet fuel is another petroleum that fuels better lives for mankind. At this time last year the Gulf Coast spot price of kerosene jet fuel was $2.056 per gallon (Figure 7, blue line), $86.94 per barrel. $4.126 per gallon the latest (red line), $173.29 per barrel is double the cost.

**Figure 8**
**U.S. Total Petroleum-Product Exports, Latest weekly and 4-weeks moving averages**
**(Src: Calculated from U.S. Department of Energy data)**
**Million barrels per day**




**While oil's high cost is burdening consumers, oil and natural gas exports setting new record highs are dramatically funding U.S. economic growth and prosperity production.** Back in 2008 when the U.S. was the world's largest oil importer petroleum product exports were less than 1.5 million barrels per day (mmbd, Figure 8, green line). 7.984 mmbd the average the last four weeks (red line) is 1.008 more than 6.976 last year (blue line). A 14.5% year-over-year (YOY) growth rate. Volume up and prices up much more bringing revenue here is boosting U.S. economic growth, prosperity and value. **Just the opposite of 2008 sending it away and giving us Crash 2008.**

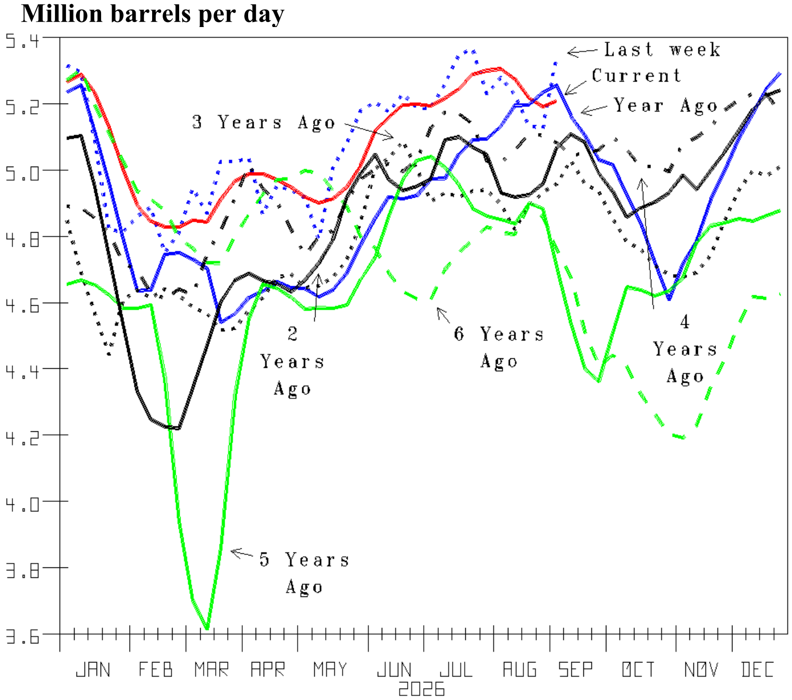
**Figure 9**
**U.S. Gasoline Demand/Shipments – Four-weeks Moving Average and the recent weeks (Src: Department of Energy (DOE) data and calculated from DOE data)**
**Million barrels per day**




## While higher prices are fueling inflation, interest rates and recession fear; gasoline shipments down only 1.4% YOY highlight resiliency.

Gasoline shipments out of the U.S. refining system averaging 8.551 mmbd last week (Figure 9, blue dot) have 8.801 the average the last four weeks (red line). Demand is declining with Summer's end. That and the switch from Summer grade gasoline to Winter grade is/will provide cost-of-living relief. Shipments the last four weeks at 8.801 mmbd is 0.126 less than 8.927 last year (blue line). That only a 1.4% YOY decline supports **our assessment: consensus beating growth happening and the direction we head.**

**Figure 10**
**U.S. Distillate Oil Production—Four-weeks moving average and the current weeks**
**(Src: Calculated from Department of Energy data)**
**Million barrels per day**




## The U.S. Free-Market economy working to Do/Be/Have better evident in record-high stock markets is also evident in the oil industry. Distillate oil prices highest have the U.S. oil refining industry diligently working providing more.

Although 5.209 mmbd of distillate oil was produced the last four weeks (Figure 10, red line). And that is 0.048 less than 5.257 last year (blue line). 5.067 mmbd is the average since the beginning of February (blue dot), 0.205 (4.2%) more than last year.

**Figure 11**
**U.S. net production of Kerosene-Type Jet Fuel**
**4-weeks moving average and the current weeks**
**(Src: Calculated from Department of Energy data)**
**Million barrels per day**

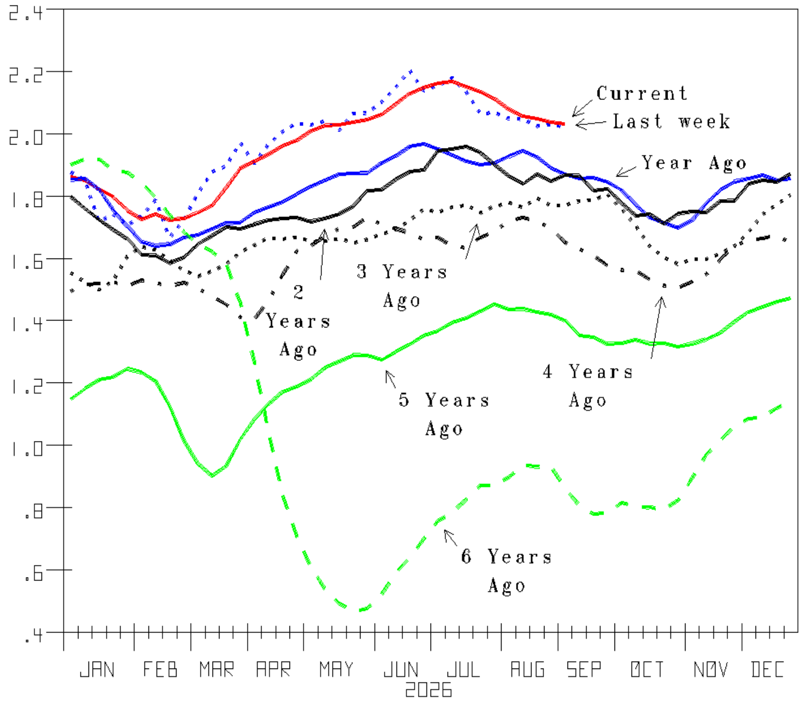
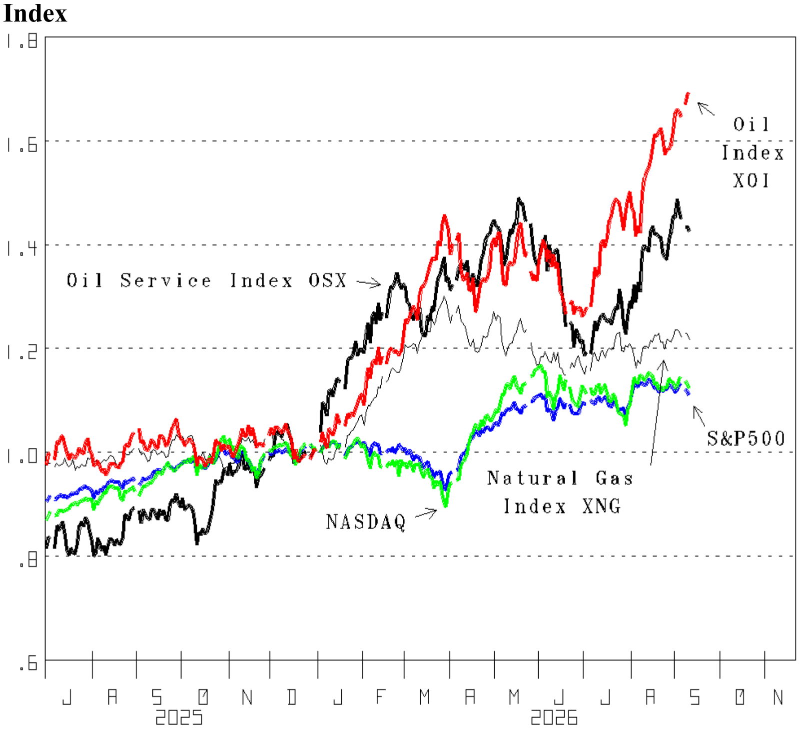



**Figure 12**
**Stock Price Index (*) Comparisons**
**(Indexed to 1.0 12/31/2025, last trading day of 2025)**
**Index**




## While distillate oil production is up 4.2% YOY, jet kerosene production is growing 8.6%.

Kerosene to fuel air movement is another great example of the U.S. Free Market working to produce prosperity and increase value. The Gulf Coast spot price double last year (Figure 7) has jet kerosene production averaging 1.999 mmbd since February (Figure 11, blue dot), 0.159 (8.6%) more than last year. 2.031 the last four weeks (red line) 0.161 more than 1.871 last year (blue line) is also 8.6% YOY growth.

**Ending the terrorizing that killed thousands 9/11/2001, the best way to celebrate the 250th U.S. birthday, and it now finally the goal, powers our bullish outlook.** Much more needing to be done and being done is evident in the Oil Index (XOI, Figure 12, red line) the top performer year-to-date (YTD). Despite oil prices up of late the S&P 500 at 7,656.98 today is up 11.9% YTD and down only 1.8% from its 7,798.99 high August 13. **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.**