# Energy Directions, Inc.

# Monthly Energy Outlook

May
2026 Outlook

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## Ending Terrorizing, Now Including Ending Its Funding, Needs Much More Oil & Natural Gas, The Best When-Needed/Where-Needed Energy Sources.

**Figure A**
**Price of WTI Crude Oil futures contract prices**
**Current, one-year, and two-years out (Src: New York Mercantile Exchange via INO.com & WSJ for current price since 4/8/2024)**
**$'s per barrel**

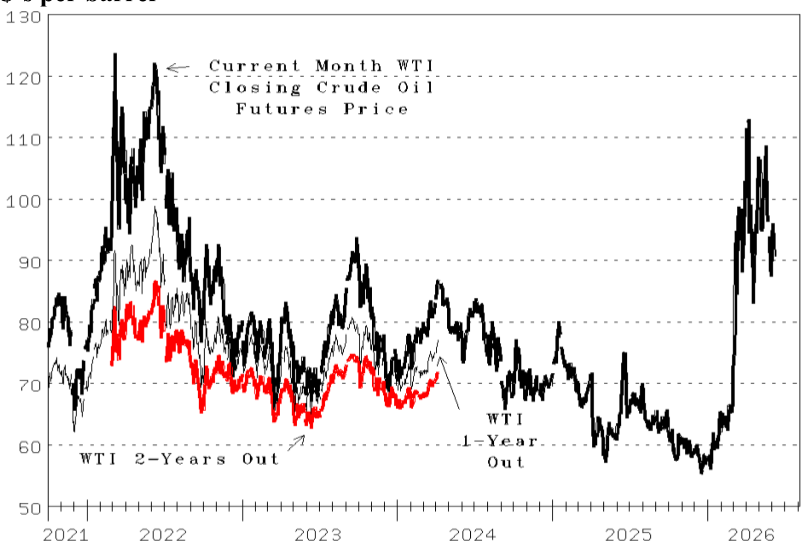
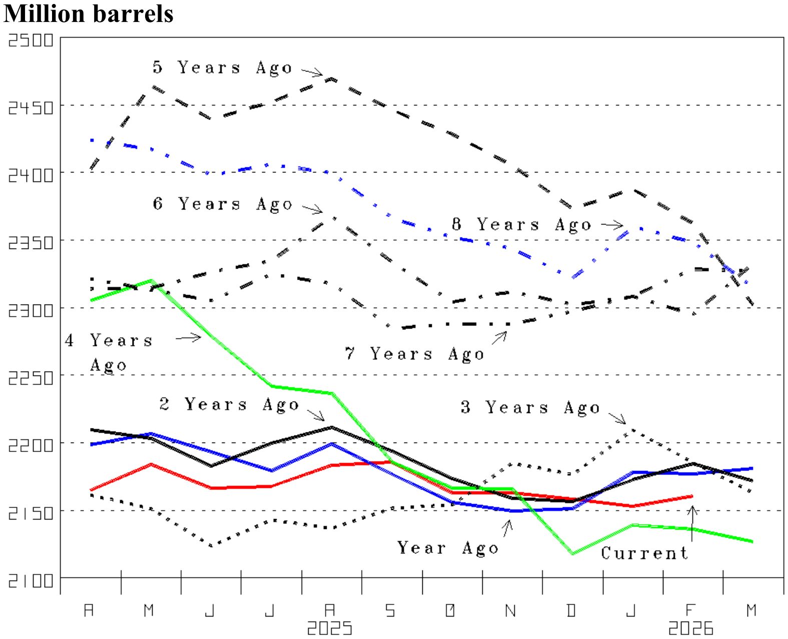



**Figure B**
**Petroleum Stocks in OECD Countries less Canada & United States**
**(Src: Calculated from U.S. Department of Energy data)**
**Million barrels**




**The rulers Of Iran, immensely prepared to battle to rule, needing intense effort to bring peace has us heading UP to a profitable, multi-year, oil & nat. gas Drilling Boom.**
Expectations, oil prices (Figure A) and nat. gas prices extra depressed through 2025, heading into 2026, had stock markets up setting new highs. Winter finally arriving and inventory low, including Over There (Figure B), moved oil prices up. Then the Operation Epic Fury effort, to end the effort of those ruling Iran to rule even more (and surprisingly well weaponized to do so), joined by efforts to eliminate their revenue but have far more peacefully provided has oil prices up confirming its high value. So high confirms a multi-year Drilling Boom is where we head to overcome firming supply/demand trends that were hidden.

**2020 Coronavirus shutins/down and oil price war jumped oil inventory and collapsed revenue. But demand growth into oil & natural gas supply Climate-Fear and War-For-Peace short needs another Drilling Boom.**
Crude oil inventory running out of room had several April 2020 oil trades down near -$40 per barrel. The virus dropping demand jumped Organization for Economic Cooperation and Development (OECD) inventory (except Canada & U.S.) to new highs (Figure B, bold dash). Expectations and crude oil prices low joined by Climate Change to stimulating had inventory low (red line) before Epic Fury and ending evil being fund has focus resume: many more kept Summer & Winter comfortable, plus enjoying AI and Freer Trade powering more movement, growth and prosperity.

More information is available on request.

# Energy Outlook

**World pent-up demand extra high (hidden by fear, uncertainty + now, supply/disrupted) needs more oil & natural gas fueling.** U.S. government shutdown + Holiday time off minimizing but Change to 1) Winter stimulating and 2) much more damaged to be rebuilt plus 3) supply temporarily disrupted has much fuel needed to fuel peaceful growth. Supply/demand trends and poor understanding keep us predicting conventional energy heads UP for years.

**While fear dropped everything early April 2025, OSX, the Oil Service Index, still top performer since, highlights awareness increasing that 1) pent-up demand high, 2) fairer/free-er trade plus 3) major war-recovery efforts have much more fossil fuel needed to fuel many more UP.**

**More needing to be done is/will power UP.** More major damage needing repair and rebuilding joined by efforts to defund terrorists continue increasing the pile of much-more-to-be-done. While fear still pressures, major stock markets rebounding to higher record highs support our outlook: problems should/must/will be fixed. Economic efforts joining battle efforts support our prediction: Middle East peace is soon achieved that will be like Post-War-Peace with Germany and Japan. We see Tariffs as an improving-lives tactic, not a get-even policy. That, and policies greatly hindering but having/needing more to be done have us predict consensus-beating World growth and fossil energy fueling it rising very much.

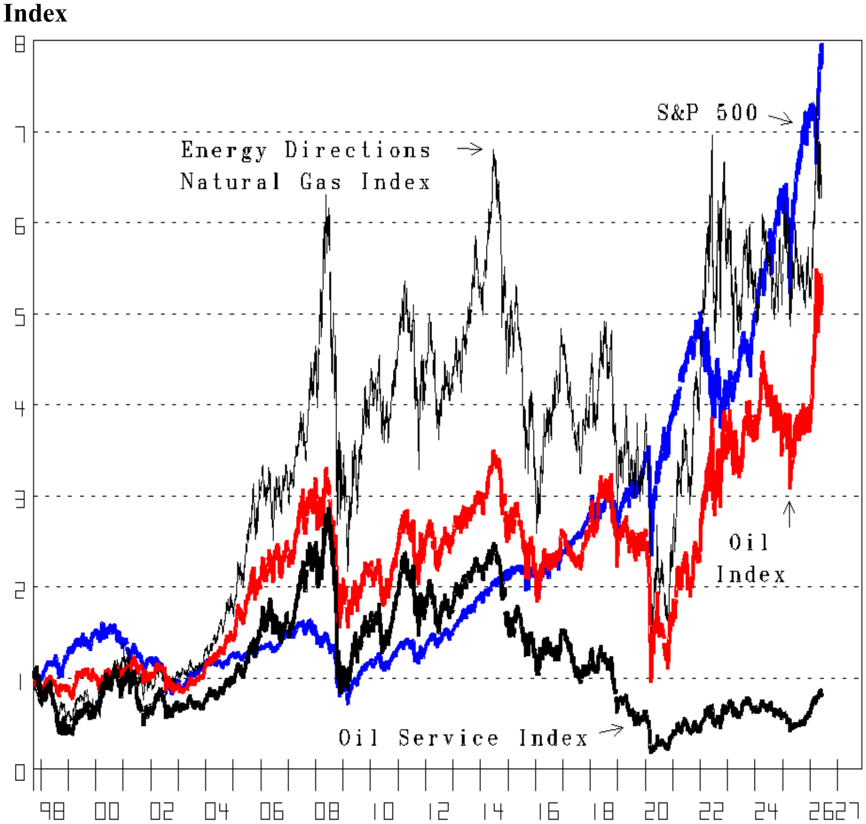
**While fear continues to be a very used tool for rulers pursuing regulations/rules/laws and spending claimed to be good, we predict overcoming the much that has kept billions from joining in and moving UP, needing more and better fossil-fuel fueling.** While using fear and being fearful continues to be very high, progress in preventing/treating disease plus normal, well overdue Climate Change to cold & hot stimulating and much more war damage has much more to be done. Damage and electricity cost surges, from aggressive wind and solar supply shortcomings highlight energy supply importance that includes natural gas too. Much taken for granted (with many still not understanding how and why things work) and ending-War effort has high-cost energy-shortages happening. However, awareness is increasing of the opportunity and need to make life better for more by pursuing peaceful, safer, healthier interaction, freer/fairer trade and improving education. We conclude addressing problems in the hands of many worldwide beats' elite few rulership. Turmoil confirms much more pent-up demand: much fossil-fuel UP.

**The U.S. easiest to watch is providing much high-value insight (despite silencing efforts persisting) funding UP.** Incredible advances continue to be evident, helped by prices changing (Figure A) in Free Markets and directing activity. A big difference from rulers/soldiers/terrorists killing, maiming, and destroying. While fear/anger persists, achieving continues, including much technology-driven work accomplished evident in NASDAQ & S&P 500 surges from April 2025 & 2026's drops to higher record highs. While some workers are/will not be needed because of advances, others are/will be needed and be able to produce more prosperity and not just from home, especially U.S. oil and natural gas.

**Poor understanding of how things work and why have us looking to electricity to show more oil and natural gas Drilling-Boom needed.** The big Cuba, Portugal/Spain electric blackouts highlight electricity a major prosperity/safety key for living better and longer. Very high value provided when and where needed is much in evidence, which natural-gas-fueled electric generating plants do best. While the sun and wind are "Free" when they shine and blow, Solar and wind are low-value "When and Where Available" sources, popularized by fear CO2 must be eliminated. Electric vehicles, batteries recharged plus being cooled & warmed faster require more electricity, reliable and faster responding. The Climate-good-intentioned continue to have much more to learn about keeping 1) the grid stable and 2) people healthy flourishing, against the sun going down, no wind, car and other batteries struggle charging with more of them + extra cold/extra hot and replenishing/increasing fossil fuel supply short keeping inflation too high. Record large and record small weekly natural gas inventory changes highlight more needed.

**Energy's base up but now even more needed to continue fueling record-high, major stock markets higher drive our predicting years of heading UP. We rate natural gas and crude oil E&P, Drilling & Oil Service Overweight Strong Buy, and Oil-Refining BUY.**

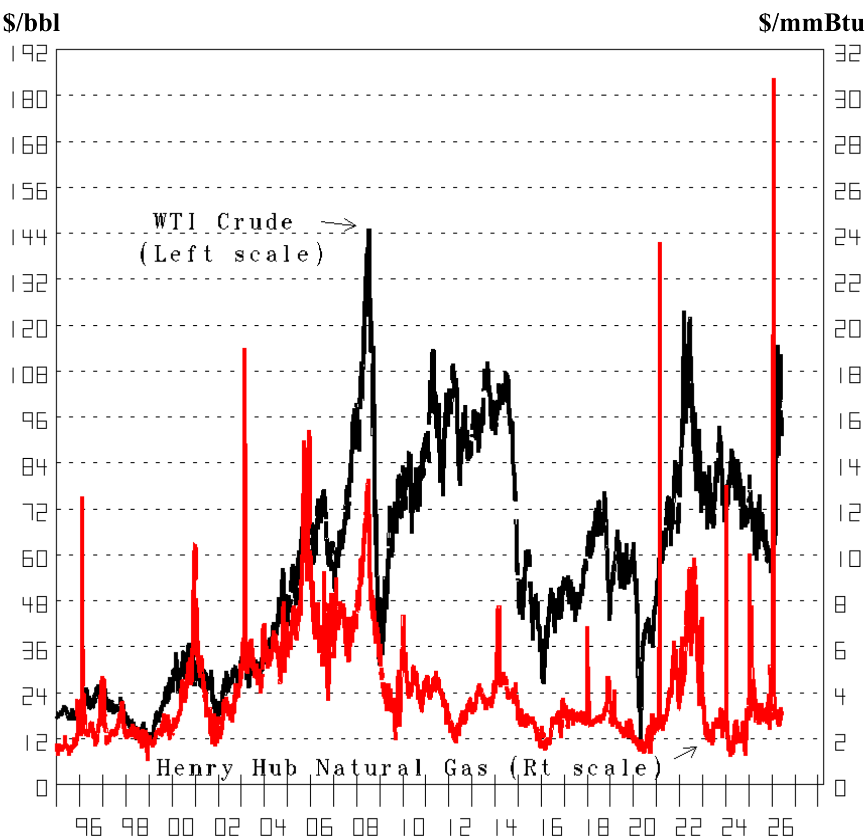
**Figure 1**
**Stock Price Index Comparisons (*)**
**(Indexed to 1.0 10/1/97)**




Our natural gas index dropped to its many years 234.06 low 3/18/20. Tariff fear had it drop to 955.59 4/8/25. 1,243.61 today is up 196.28 year-to-date (YTD, 18.7%), up 30.1% from 4/8 and 6.322 times its 10/1/97 value, vs the S&P500 up 7.728 times its 10/1/97 value.

(*) Energy Direction's Natural Gas Index is the sum of the closing price of APA Corp. (NYSE: APA-36.57) times 2, and EOG Resources (NYSE: EOG-137.78) times 4, on 4/3/06, Devon Energy (NYSE: DVN-44.28 times 3.00507 replaced Burlington Resources times 2. On 8/9/19, the change in Coterra Energy, Equitable Corp (EQT-53.75) and Pioneer replaced Anadarko Petroleum and replaced Noble Energy since 10/5/205. 5/2/24 Antero (AR- 44.28) replaced Pioneer and 5/7/26 Comstock (CRK-$13.00) replaced Coterra to calculate the change in the new three. 1243.61 today up 1,009.55, from 3/18/2020's 234.06 low but 125.37 below its 6/7/22 hi needs nicely more. The Oil Service Index still way low reflects many still believing little is needed and finding and producing it is/will-be easy. We conclude hundreds of millions more fueled UP requires years-more Drilling-Boom/Profitable-Investing UP.

**Figure 2**
**Oil & Gas Price Comparison (Src: Oil -Platt's Oilgram, NYMEX close 12/15/15 to 12/29/23, -$37.63 4/20/20 excluded; and DOE since then. Gas Price-Platt's, Wall Street Journal & DOE)**




What oil fuels having extra high value and too little available has prices often exceed $90 per barrel this century. $90+ funded much research and a wildly successful Canada & U.S. drilling boom surging production. Climate fear and coronavirus attack helping many believe oil has no future knocked it down to where it was in 1999, when Russia joined OPEC to manage. We credit its Ukraine invasion to it believing Ukraine corruption was stealing too much of its exports. Ending Iran's decades-long war also increased uncertainty but will, oil demand.

Natural gas trended UP 4 times since Crash-2008 but record production, weather extra mild and low expectations dominating, still has prices depressed. However, gas is more about producing, being comfortable and healthy. Sustained gas-price upside surprise is set up by years of infrastructure decisions. We predict War recovery + Climate stimulating soon has more learning U.S. supply fallen short. Especially now with Over There needing much more. **Consensus-beating demand growth is where we head.**

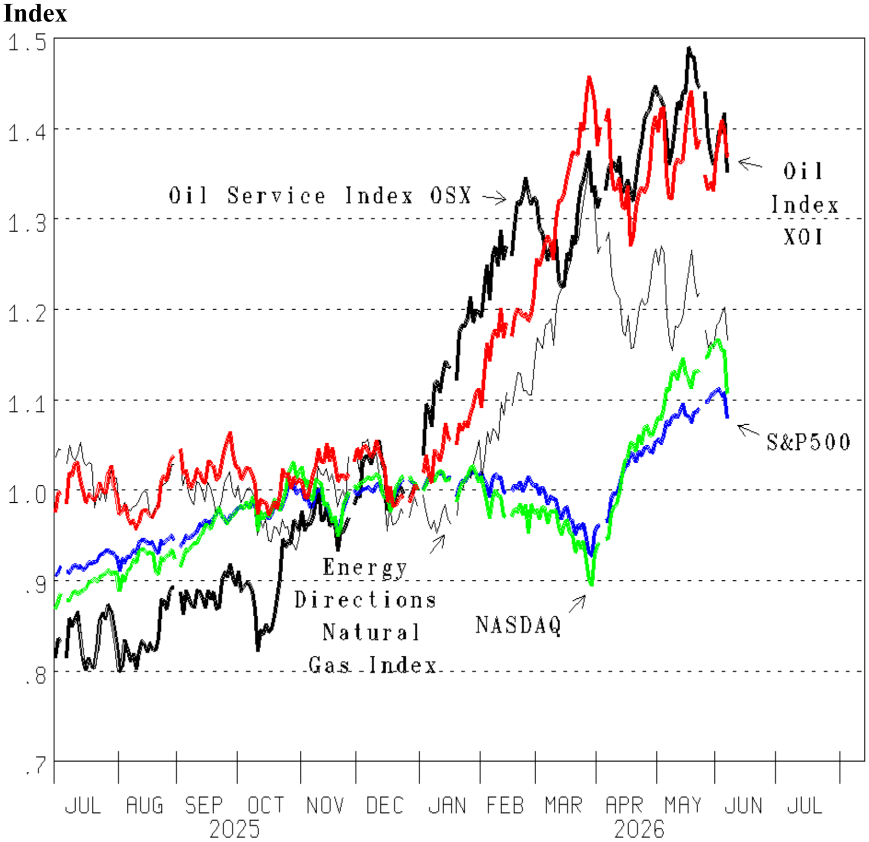



**Figure 3**
**Stock Price Index Comparisons**
**(Indexed to 1.0 12/31/2025)**

Rapid U.S. oil & gas production growth helped many believe its growth is easy. And Climate fear still keep some believing fossil fuel can't be used. However, capacity to drill and supply diminished has been recognized since August. Climate-Change-stimulating finally arriving provided much up before Operation Epic Fury added more.

More oil and natural gas and what/how it fuels very high value is evident in Climate, Russia and Epic Fury Changes surging prices. Prices lower longer and collapses exaggerated extra low set up: 1) oil-UP more from much more needed and 2) big, long-lasting, consensus-beating performance-surprise UP for natural gas from faster depletion, exports and Climate-driven demand increases from extra lows; especially for Oil Service from its exaggerated drops.

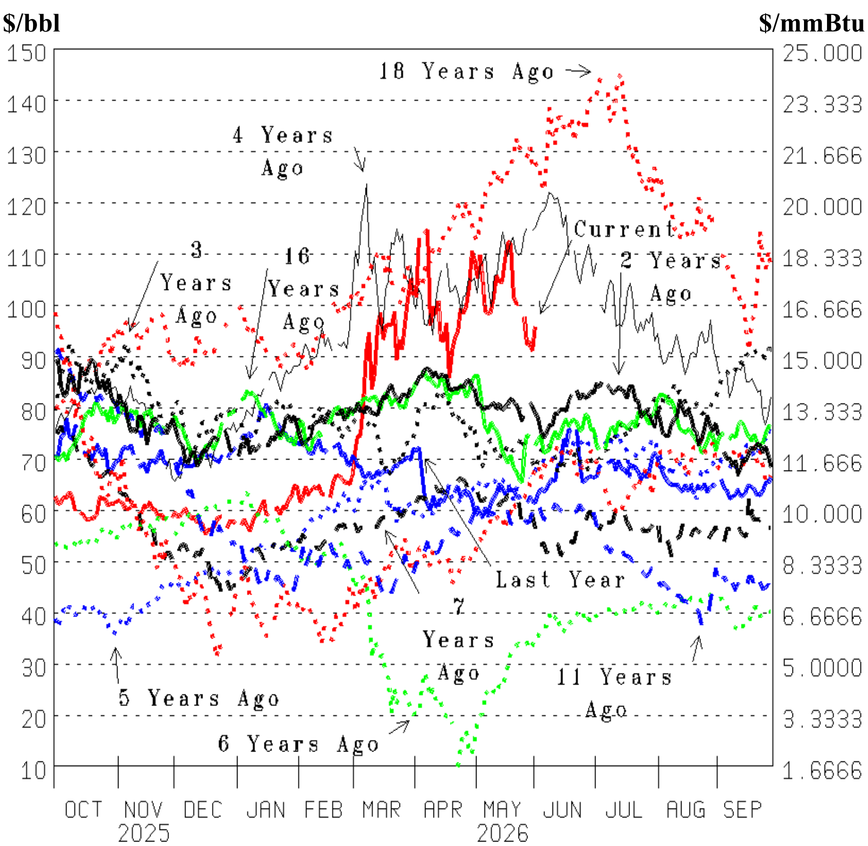
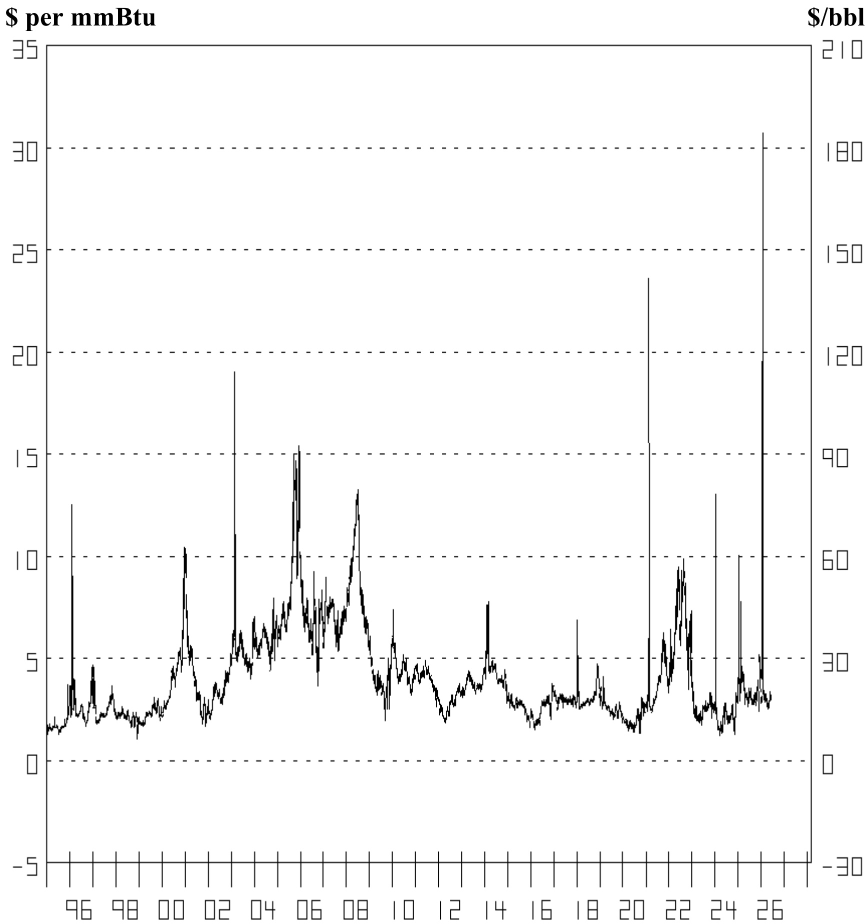



**Figure 4**
**West Texas Intermediate (WTI) Crude Oil Spot Market Price (Src: Platt's Oilgram Price Report, NYMEX close 12/15/15 to 12/29/24 (-$37.63 4/20/20 is excluded) & spot from DOE since 1/2/24)**

All using oil much more than they are aware of (because it so well fuels better, healthier, more prosperous & clean lives) and time for Middle-East recovery has us predict years more of $80+ funding more. The 2020: Q1+ collapse dictated (blue dot) got oil exporters to manage. Decline into January exaggerated by Thanksgiving, Christmas/the other Holidays minimizing activity, Winter cold ignored plus economic growth fear is helping many believe $80+ is too high/can't be.

Our predictions: supply growth restrained, mankind's immune systems work, and more realize Doing/Being/Having very important and do so. Much more must/will be produced AND MOVED, because of DOING's WONDERFULLY HIGH VALUE and more people realizing it. Trump Administration's policies will prevent years of $110+. But Middle East damage, long lead times, and capabilities reduced have us predict another profitable, multi-year Drilling Boom.

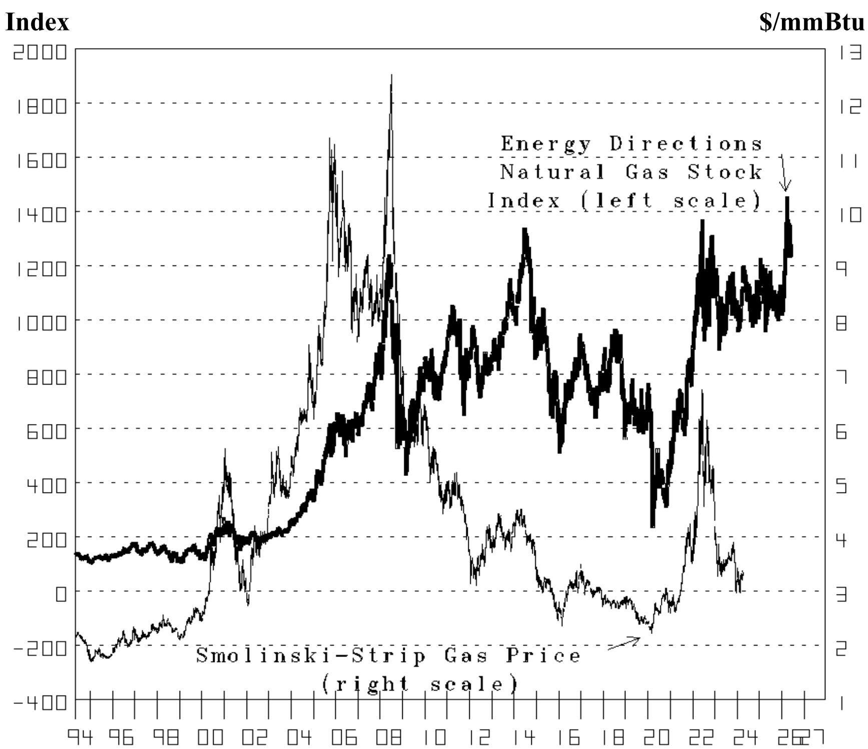
**Figure 5**
**Henry Hub Spot Market Natural Gas Price**
**(Src: Wall Street Journal & DOE after 12/14/15)**




Rapid production growth against Climate Stimulating incursions brief has had gas prices extra low. But Jan 2024's $13 high and this Jan above $30 confirms tightening that shutdowns and The Climate still mostly mild (especially April) continue hiding.

We see consensus-beating demand from 1) long-lead-time gas-demand infrastructure growth caught up, 2) export growth from gas recognized as advantageous/healthy + Middle East damage making more aware North America is a good, reliable source, 3) gas replacing/offsetting distillate oil, coal, nuclear and making up for often, big-and-much, solar & wind shortcomings and 4) new, small nuclear in quantity, years away. Seasonal stimulating continues to be brief but confirming supply/demand tightening.

**Figure 6**
**Energy Directions Natural Gas Stock Index Vs. Smolinski-Strip (*) Natural Gas Price**
**(Src: Natural Gas Stock Index see note Figure 1; Smolinski Strip-Calculated from NYMEX)**




What companies in our Stock Index are now accomplishing is up huge versus the 1990s. What is being stimulated by more natural gas flowing (and its price very low very long) has and will have much, much more to be done: fueling many-more/much-more UP.

We are excited about fueling many more UP too much greater; especially Over There with greater peace, health and fairer/freer trade. The fuel resource exists—Canada and U.S. will fuel many more into prosperity, including here. Rig-count collapse and the lag inherent in supply following activity have the stage set for tight and high prices to pay for much more work for a long time here fueling year's-more expansion here and Over There.

*[*The Smolinski-strip is the 12-month average closing price of natural gas on the NYMEX futures market 7-through-18 months into the future. Data sourcing limits have this show only to April 5, 2024. It is now around $3.53ish.]*

Number of rigs running

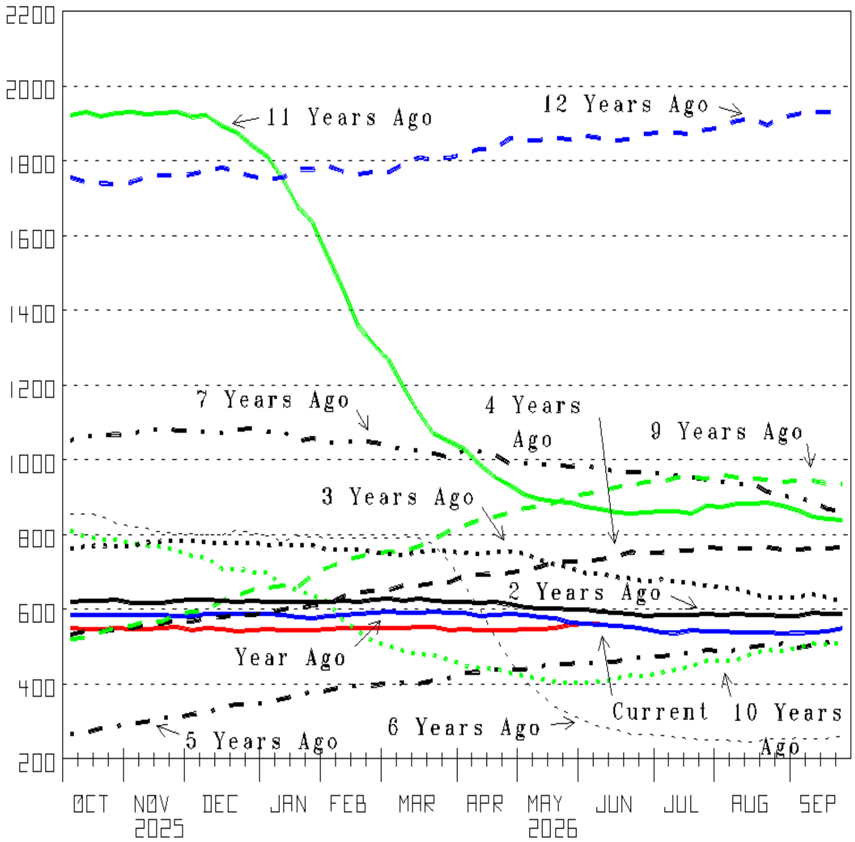



**Figure 7**
**U.S. Rotary Rigs Drilling—Weekly**
**(Src: Baker Hughes)**

124 rigs drilling for natural gas this week is down 1 but 10 more than last year but down 78 from 202 as Jan 2019 began. 51 on average drilled for natural gas in Canada the last 4 weeks, 6 more than last year but 41 fewer than 92 in 2014.

431 rigs drilling for oil in the U.S. this week is up 2 but 11 fewer than last year. But 3.48 times natural gas. While 431 oil is 115 more than the May 2016 low, it is 456 fewer than 2018's November high of 888 and still down 251 from 682 mid-March 2020. U.S. lower-48-crude-oil production growth slower needs high prices sustained to fuel production growth fueling more growth/Participation and Mid-East makeup.

An average of 97 rigs drilled for oil in Canada the last 4 weeks, 26 more than last year but 11 fewer than 108 in 2010.

Number of rigs running

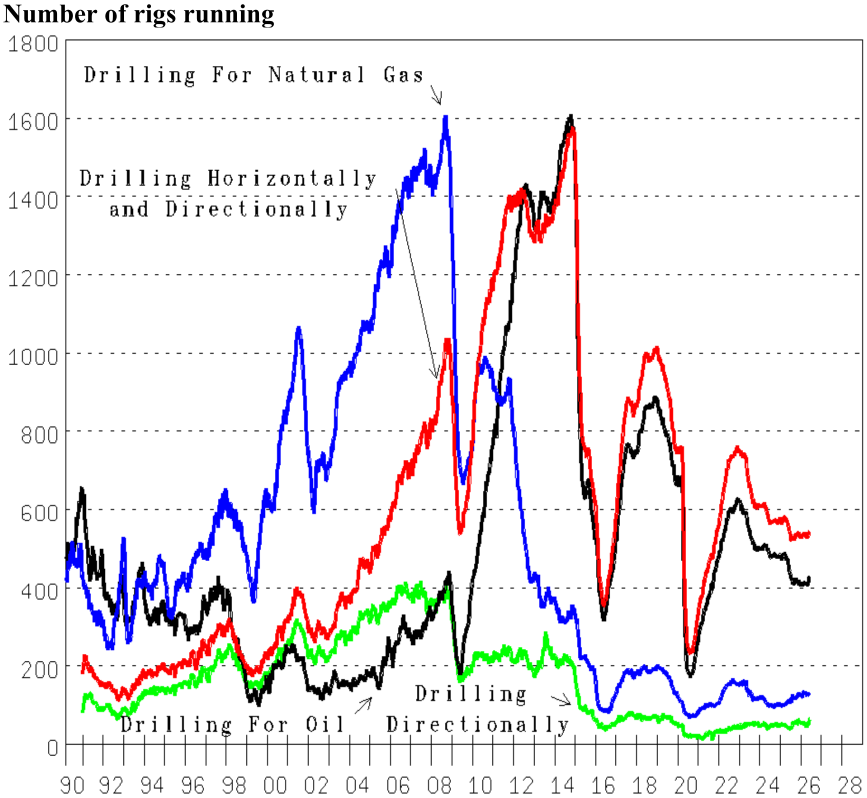



**Figure 8**
**U.S. Rotary Rigs Drilling—Weekly Total**
**(Src: Baker Hughes)**

The U.S. rig count at 563 this week is 4 more than last year. It 159 more than the 2016 low helps but down and down 520 from December 2018's high doesn't. High prices and ever-more-productive oil activity powered up. Oil opposition has minimized. Predicting that oil & natural gas demand beats consensus is why we predict: profit-prices-resumed fund another needed boom.

Freedom is the right U.S. energy policy; not the Politically Correct, ruler-determined road to what is claimed to be pollution-minimal Energy Independence and making life "safe" and "fair" for all. Mankind's $CO_2$ isn't Changing The Climate and Free Markets are the only way to prosper all UP.

Technology trends keep us concluding that mankind drills mankind's way UP to much better lives for many, many more; especially Over There where crude-oil production for many is still down much and Russia & Middle East still major problems.

Million Barrels Per Day

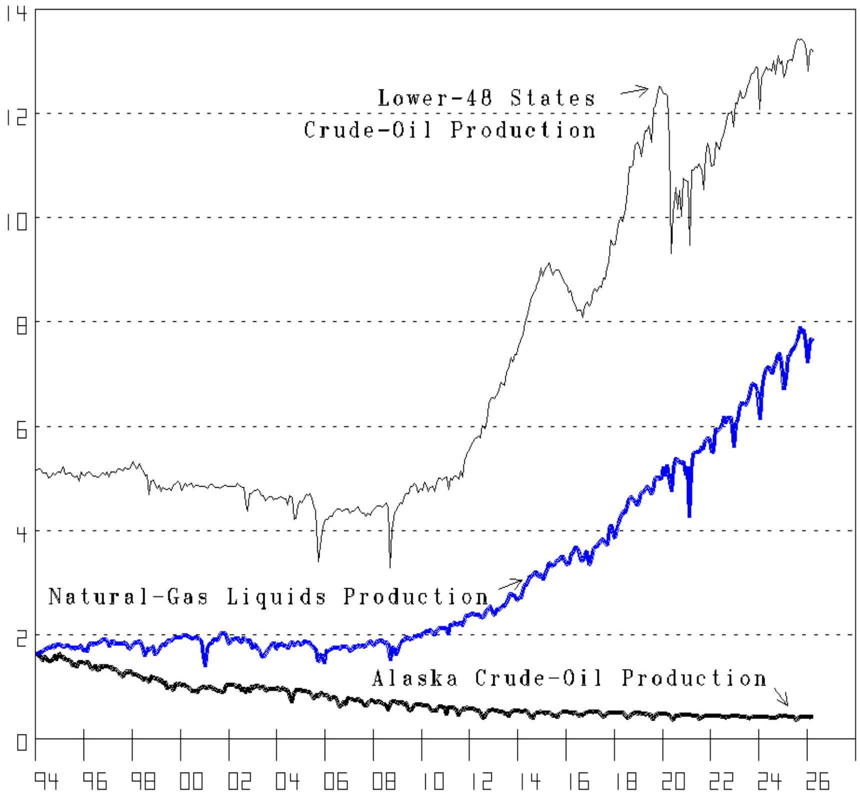



**Figure 9**
**U.S. Monthly Crude Oil Production**
**(Src: U.S. Department of Energy data)**

Lower-48 Fracking Revolution success is incredible. However, rapidly increasing production is now rapidly increasing depletion. Lower 48 in 2018 was up 1.600 mmbd (18.0%) YOY. Mar 2025 at 13.122 was the new record high but is now 13.019. Oct 13.436 is now the record with Apr 26 down to 13.164, up only 0.131, 1.0% YOY.

Those bearish continue believing oil demand has little up and that is good so it will/should be a long time before supply falls short of demand helped by OPEC+.

Oil switching from being used to fuel the ruler/privileged/terrorizer to fueling hundreds of millions more prospering will need much more oil.

Million Barrels Per Day

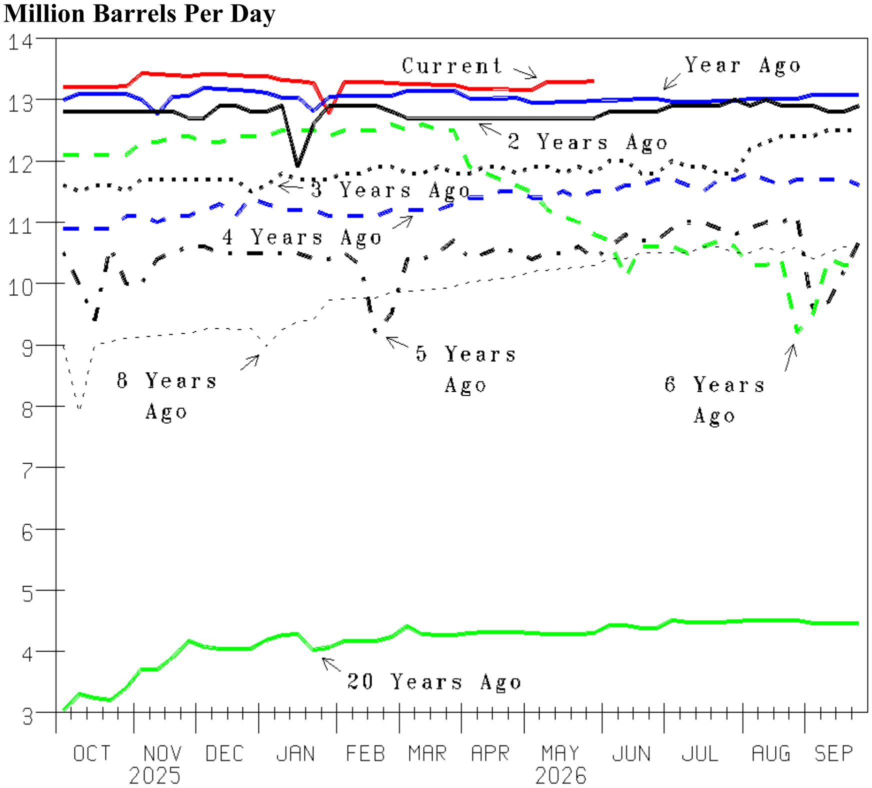



**Figure 10**
**U.S. Weekly Crude Oil Production**
**Lower 48 and Alaska**
**(Src: Department of Energy data)**

Gain achieved is good projects completed & 484 rigs running at April 2025's end. 431 now, depletion record high + more needed Over There needs profitability.

Ruling elites (like the last Administration) limiting access and funds, for gifted-and-talented oil producers are holding down world production. Venezuela in February at 0.940 is down 1.544 mmbd from its 2015 high, Mexico down 0.886 at 1.736 and Russia down 1.074 at 9.977. Still down is a major reason we predict WTI will be profitable, $80+ long term with 1) consensus-beating activity/growth (Mid-East recovery) driving, 2) colder/hotter temps, 3) more depletion showing up, and 4) ESG hype persisting + depletion high and equipment growth and staffing limits restraining Canada & U.S. supply growth.

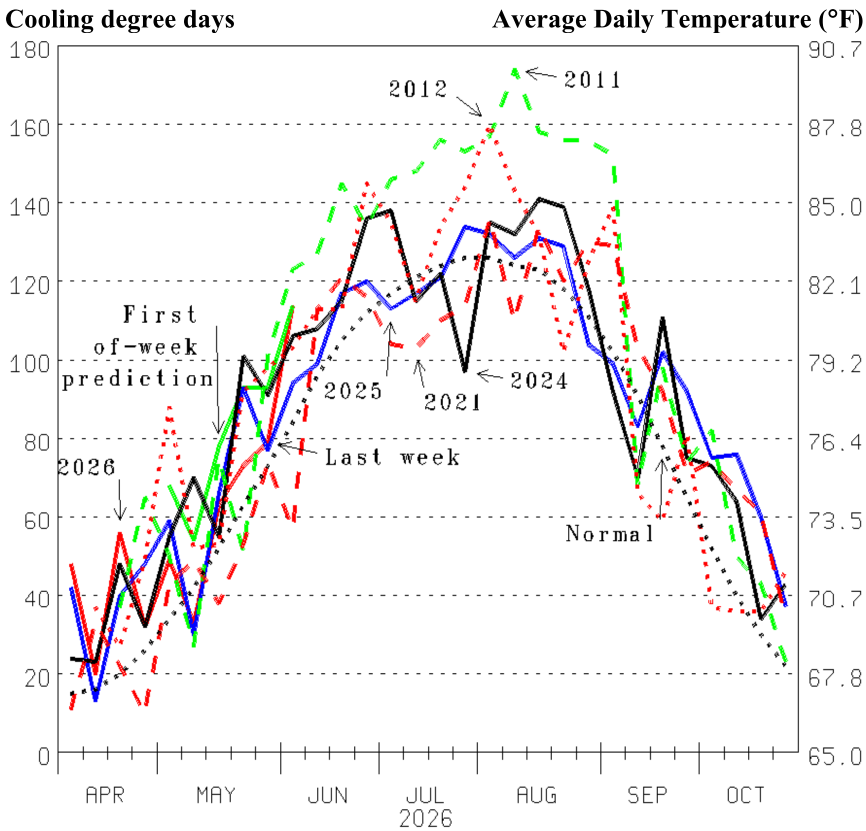



**Figure 11**
**West-South Central Region Weekly Cooling Degree Days, Actual degree days versus forecast for the week (Src: National Oceanic and Atmospheric Administration [NOAA])**

We have yet to find makes-sense-reasons on how mankind's CO2 emissions cause the erratic week-to-week and year-to-year Changes. Big, disaster-prediction misses and between one-week-long predictions and actual is evidence of how little mankind still knows plus a prediction bias to too warm. Why were Summer 2011&12 warmer than the others since, despite all the CO2 since?

Infrastructure trends, AI and reversion back to winters cold/summers hot increasing natural gas generated electricity, will result in and long-sustain outperformance. More solar and wind during low months April and May makes their July and August declines larger.

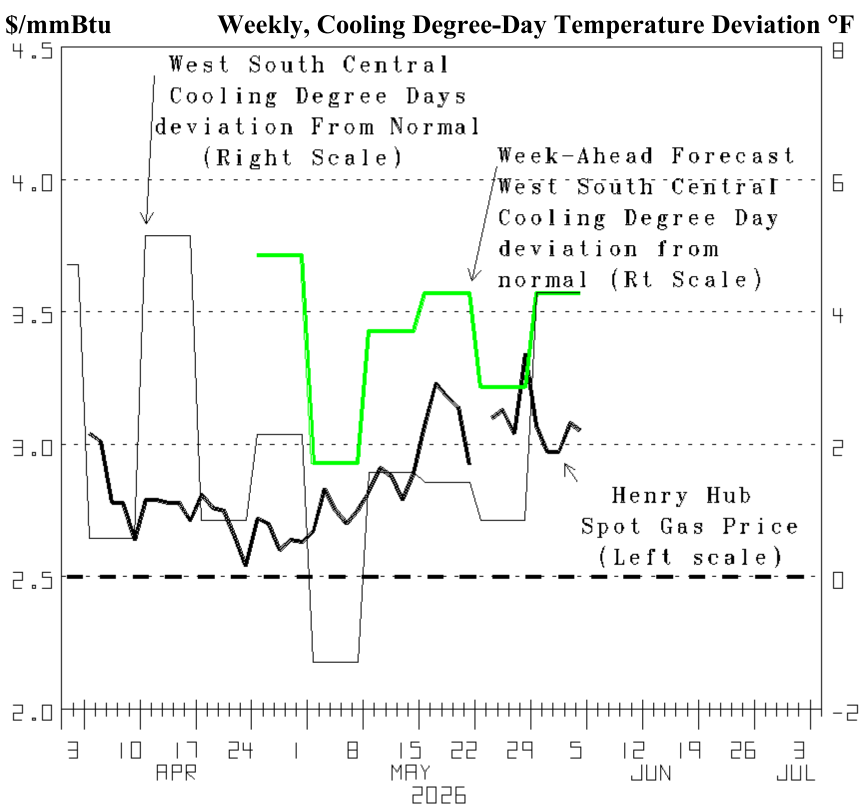



**Figure 12 Henry Hub Spot Gas Price versus Weekly, West South-Central Region, Cooling-Degree-Day-Deviation from Normal, Beginning of Week Forecast Deviation and Actual Deviation (Src: Gas Price-DOE; Degree Day-Calculated from NOAA data)**

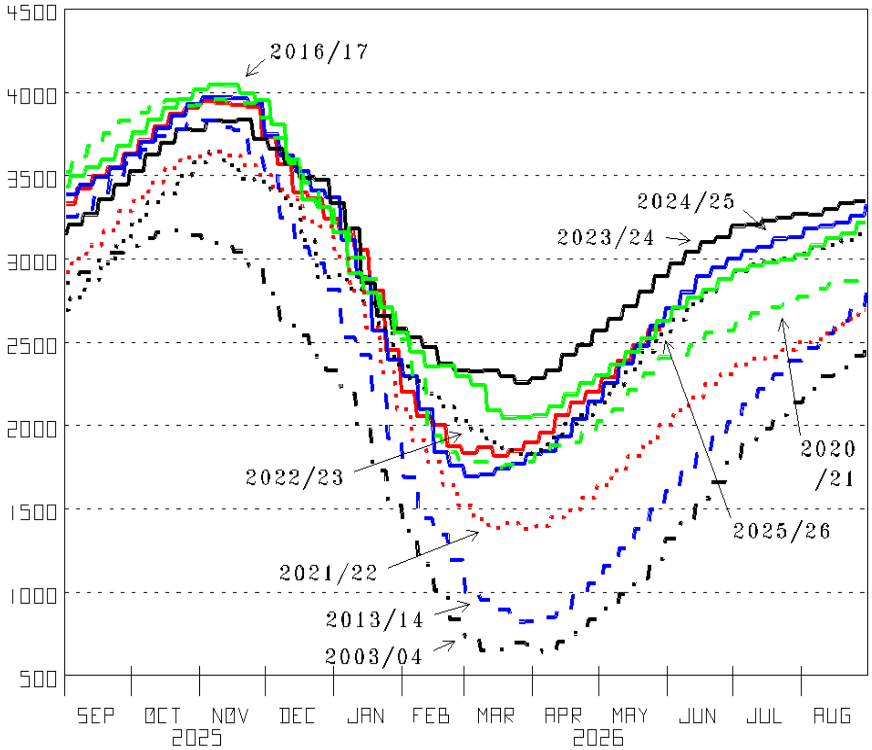
We credit wind patterns for 2024's Falls fall & 2025's delightfully mild. But cold air hasn't been warmed away by mankind's growing CO2 emissions. 2025's mid-Jan cold tugged up to $10.07 and 2026's $30.57. We predict normal cold & hot need $7 the average, a number of years, to fuel.

Beginning-of-the-week forecasts (green line, right scale) too-warm and large misses every week highlights ~~Global Warming~~ Climate Change fear bias producing big misses.

Gas prices, very low and much lower than oil prices a long time, encourage low consensus expectations. Lengthened, long-lead-time transport, processing, and demand facilities finally in service are accelerating depletion. More worldwide needing help and learning natural gas has high air-quality/health value is/will also drive demand growth. Repair, Climate stimulating and depletion catching up will help more recognize our $7 U.S., profitable forecast is the multi-year future.

**Figure 13**
U.S. Working Natural Gas Inventory
(Src: U.S. Energy Information Administration)

Billion cubic feet

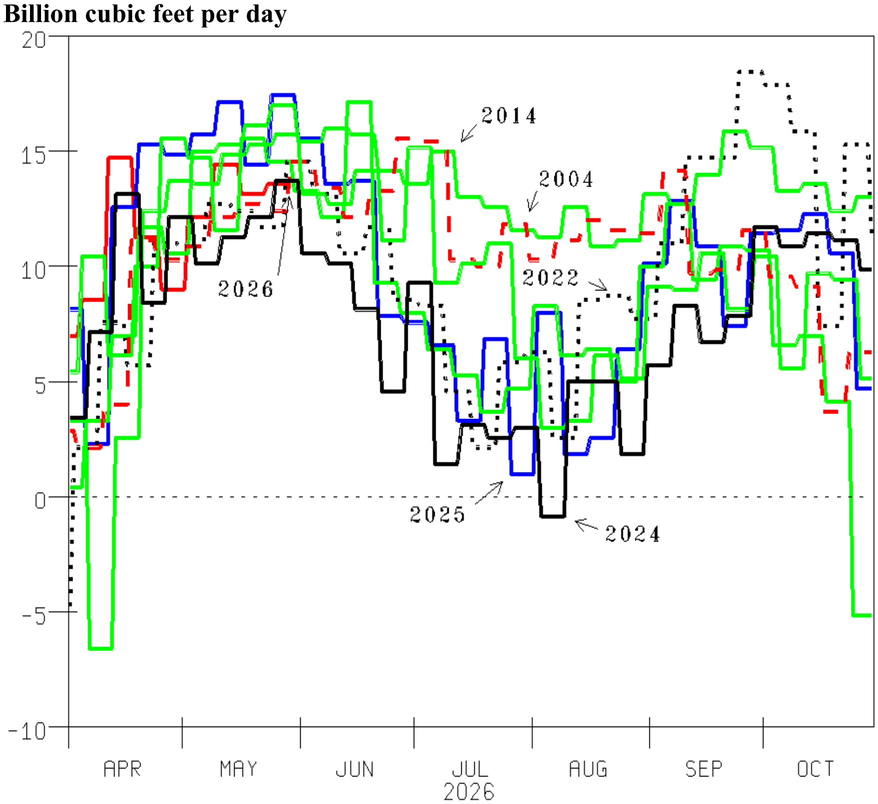



The Climate mild hiding gas demand growth and coronavirus shutting in/down dictated resulting in the 2nd Drilling Bust has depletion catching up with production growth. It is evident in Winter 24/5's draw 8th largest in 31 years. Plus, despite production up setting new record highs and only 5 of the 22 November through March weeks colder than normal, 2,131 Bcf was withdrawn from inventory, 15th largest draw in the 32 years of weekly data.

Time lengthened gas-demand-infrastructure-growth catching up (winters will be needing ever more inventory) plus summer's needing more for cooling keeps us predicting the Henry Hub price rises to and sustains $7 for a nice number of years. With export growth now a larger major plus too.

**Figure 14**
**Weekly Change in Total U.S. Natural Gas Working Inventory (Src: Calculated from U.S. Energy Information Administration data)**

Billion cubic feet per day




Weekly patterns highlight weather comes in waves. The U.S. and world are overdue for long, cold winters and hot Summers. Despite all the weeks since mid-September milder than normal minimizing demand, inventory now has been reduced from being 204 Bcf more than the average the prior 5 years, to 138 more. Also, potential demand record high had one week last August the smallest increase in 32 years, and a new Winter withdrawal record was set, 360 Bcf needed at January's end.

Mankind's CO2 emissions, claimed to be causing a greenhouse and warming, explain only temperatures trending UP. If true, CO2 must be removed to cool. We conclude the sun Changes The Climate, with the winds help, not CO2, especially mankind's CO2. 51.4 Bcf/d drawn late January largest ever confirms Climate stimulating needs much; especially with more electricity needed for driving, summer cooling, winter heating and AI growth. Many more of mankind can/should/will prosper much more using much-more Fossil fuels.

Million short tons per week

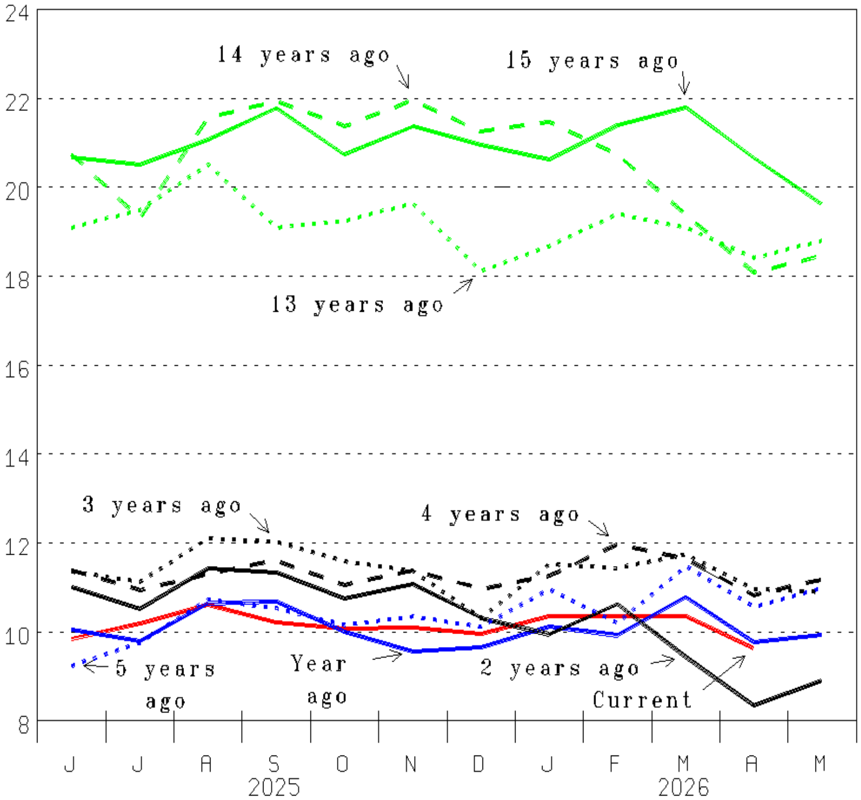



**Figure 15**
**Bituminous Coal and Lignite Production – United States; monthly data at a weekly rate**
**(Src: Calculated from Department of Energy data)**

Natural gas demand is trending UP as it replaces coal trending down because decades old coal-fired plants have been retired. The new Administration recognizing the great benefits of coal generated electricity is a big plus. Nevertheless, years are required to restore/add coal capacity. Natural gas will power growth.

Infrastructure is key. The nation's old and opposed coal-fired power plants are yet to receive the heavy investment required to give it a decade or more additional life, especially at high load factors. Nevertheless, electricity must-being-available, when and where needed and much clean coal capacity still in place is evident in coal's generation (Figure 17) the last 12 months 15.7% of the total, 1.769 times solar.

Million short-tons per week

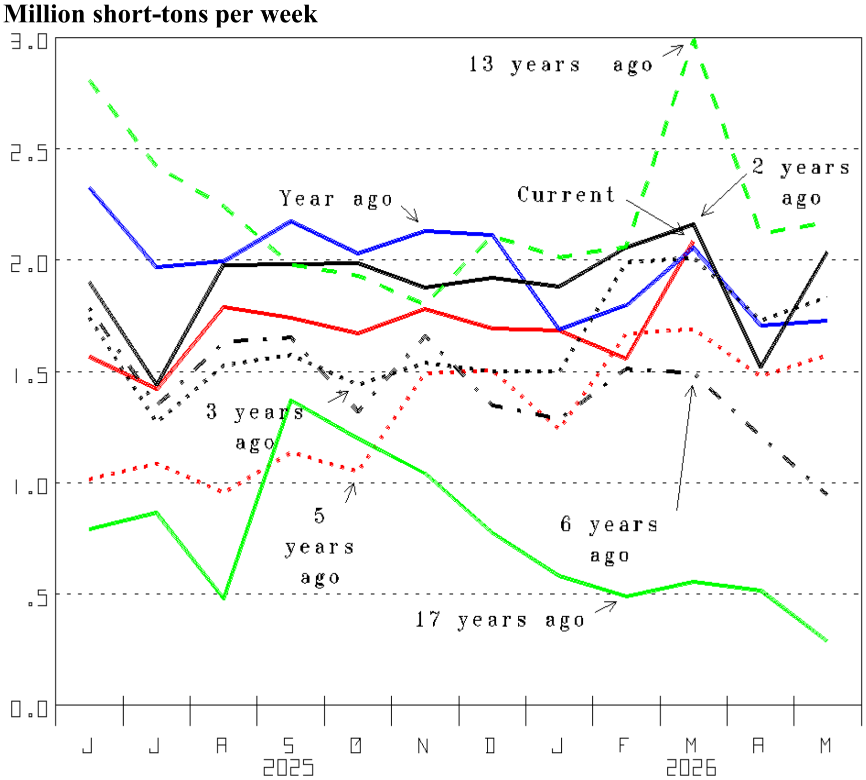



**Figure 16**
**U.S. Monthly Coal Net Exports**
**Shown at a Weekly Rate**
**(Src: Calculated from U.S. Department of Energy data)**

While fears temporarily slowed world growth, the trend is to the U.S. a growing net coal exporter. Exports increasing have partially offset domestic consumption declining as 1) Mid-East damage has more coal generating electricity Over There, 2) high-import-barriers Over There get reduced, 3) Russia dependence is reduced, 4) fairer/freer trade and technology grows upward-mobility-of-the-masses Over There and 5) Climate Changing to stimulating "Be-comfortable-producing-prosperity/good-health" electricity demand growth.

We credit less coal exported in 2020 to milder temperatures, and slower growth Over There because of the effort to reduce trade barriers and temporary virus shutting in/down. Consensus-beating growth resuming is/will be stimulated by 1) more, participating living better lives, 2) health overcoming, 3) Climate Change to stimulating, 4) expectations reduced too much and 5) reducing Russia and Middle East reliance. 100.208 million short tons exported in 2023 is 14.252 (16.6%) more than 2022. 2024 was 7.308 (7.4%) more than 2023.

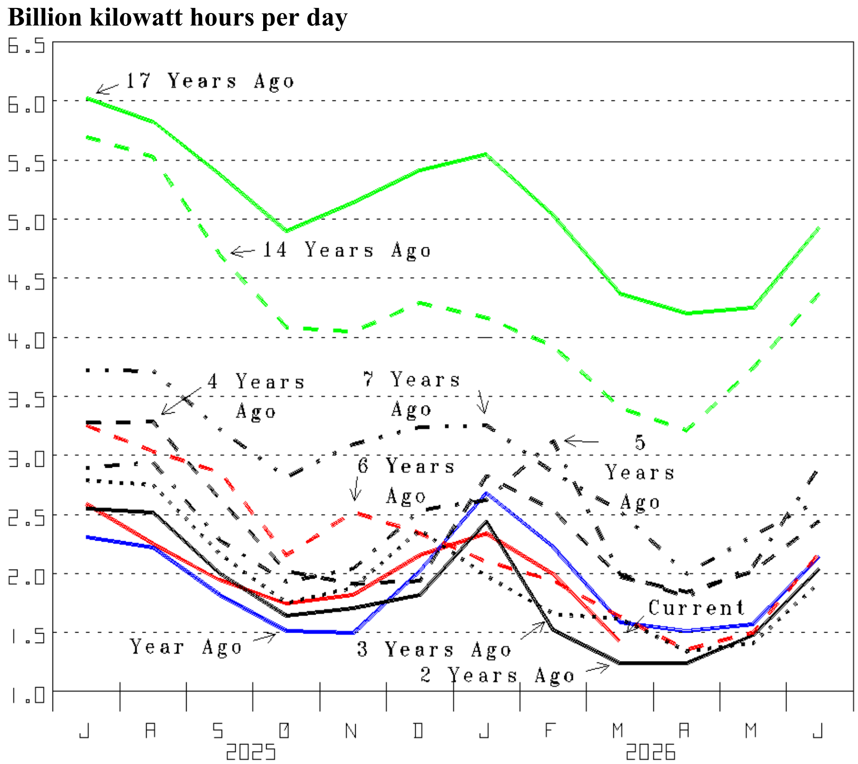



**Figure 17**
**U.S. Monthly Coal-Fired Electricity Generation (Src: Calculated from U.S. Department of Energy data)**

Coal electricity generation trending down and gas capacity added since the 2013/14 winter made gas the #1 source in December 2015. Now March 2024 is the lowest coal month since the early 1970s. Up YOY in 2025 is Climate stimulating where coal plants are.

Solar and wind were 23.3% of total electricity generation April 2024 and 24.7% 2025, but only 16.5% in January. Relying on these when-and-where-available sources much more, especially for comfort, requires storing electricity from the two sources for months (not just hours), costly batteries charged and discharged only twice a year. We predict solar and wind growth moderates with big, Green-New-Deal subsidies out and much more getting-to-where-and-when-needed cost.


**Figure 18**
**Monthly Average Spot Price of Coal Delivered to Electric Generating Plants and Electric Utilities (Src: U.S. Department of Energy data; per mmBtu data is Electric Generating plants since 2001:01)**

Average coal prices surged this century as contracts put in place at extra-low prices rolled over in a world economy growing notably and needing more energy-supply infrastructure.

Coal prices dropped with Crash-2008 and much mild, but not much. $2.650 Dec 2022 exceeds the prior $2.510 record high set in Dec 2014. $1.90 May 2020 and $1.89 in March and May 2021 are the lowest since 2008, which we credit to the virus, mild and the freer/fairer trade effort. Up from $2.40 in Dec 2024 to $2.50 last May highlights more used. We credit more produced for $2.38 in December.

Electricity, a major prosperity-producing ingredient has very high value. China rapidly adding coal plants confirms it very economical to greatly increase electricity generation and fuel the billions Over There still living hand-to-mouth lives with minimal stuff, limited hygiene, and movement. Coal most economical and much electricity needed Over There is and will power much more Prosperity UP.

Billion kilowatt hours per day


**Figure 19**
**U.S. Monthly Electricity Sales; 12-months moving average at an annualized rate (Src: Calculated from U.S. Department of Energy data)**

Crash 2008 is clear but so is a long pause we credit to conservation, many here still just getting by and especially notably mild weather dominating since August 2008. But new record highs have resumed. Exports have been the major source of U.S. new-customer growth since 2009. It requires producing more and electricity is a very important production ingredient (including providing AI) plus more living, better/healthier lives need more produced. Natural gas most economical gives North America a significant electric-generation and powering manufacturing advantage.

Fast response natural gas will generate most U.S. electricity growth for decades. Even with transforming to electric propulsion no longer foolishly dictated.

Billion kilowatt hours per week

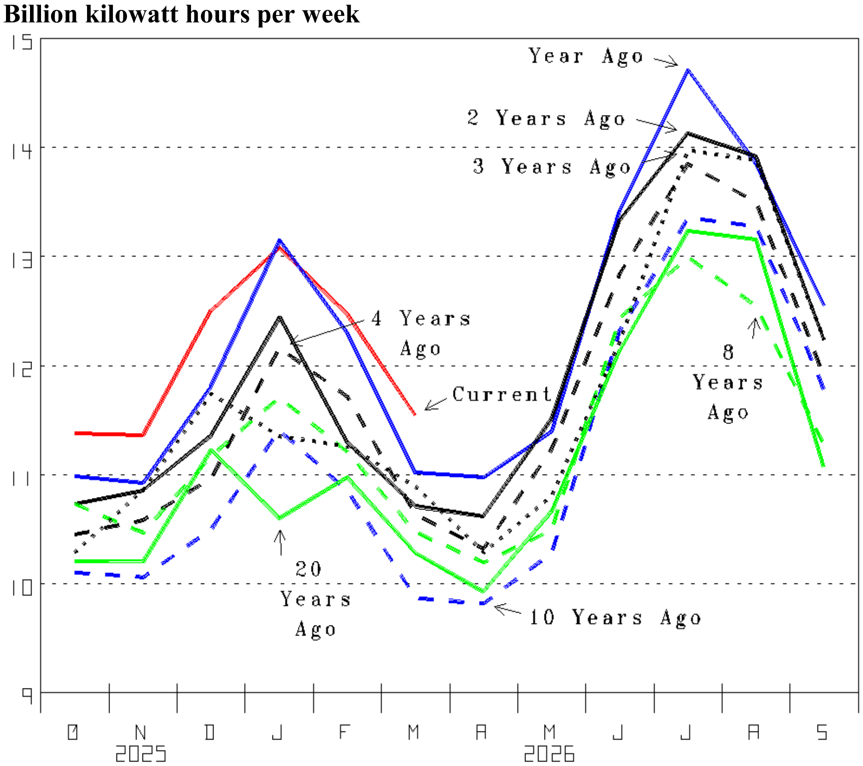



**Figure 20**
**U.S. Monthly Electricity Generation: small scale solar plus total utility scale generation (Src: Calculated from DOE data)**

New record highs confirm potential demand is rising record higher. January through March 2025 highlight how much potential electricity demand has been hidden by mild temperatures. Jan & Feb were 2.45 °F colder than 2024 but only 0.60 °F colder than normal. Mild suggests Oct to Dec & Mar is AI needs showing up.

We most credit low natural-gas prices to years of notably low demand from the many minimizing weeks of very mild, plus virus shutins/down, Hurricanes plus extra-intense tornados and the Texas LNG plant fire also drop demand. Extra mild is most evident in natural gas inventory high.

We find assessments of non-oil vehicles coming close to cost competitive with oil omit the need for electrics & hydrogen to replace the big, much needed tax revenue oil collects + much more high-cost electricity delivery capacity needed.

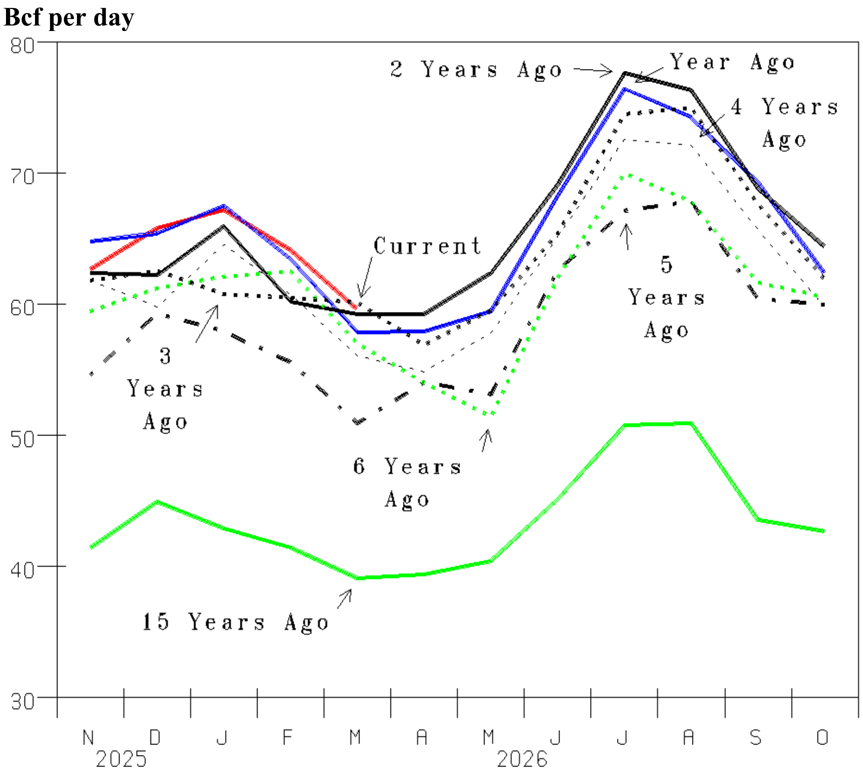



**Figure 21**
**Electric Power & Industrial Natural Gas Demand and Balancing Item;**
**(Src: Calculated from U.S. Department of Energy data)**

Here is confirmation of infrastructure increasing gas demand plus wide climate variability and virus shutins/down. We credit Climate stimulating, new industrial plants, and gas-generated electricity for the new record highs. Opposition to coal, oil and nuclear power (and now much time needed to build more) encourages industrial activity growth is natural gas fueled, ensuring gas produces the most electricity growth for many years. Record highs support our conclusions: 1) post-Crash-2008 & virus recession expansion is happening; 2) natural gas is the major energy source powering it, 3) productivity improvements per employee have nice-demand-growth the trend plus 4) rebuilding and other efforts need more fueling.

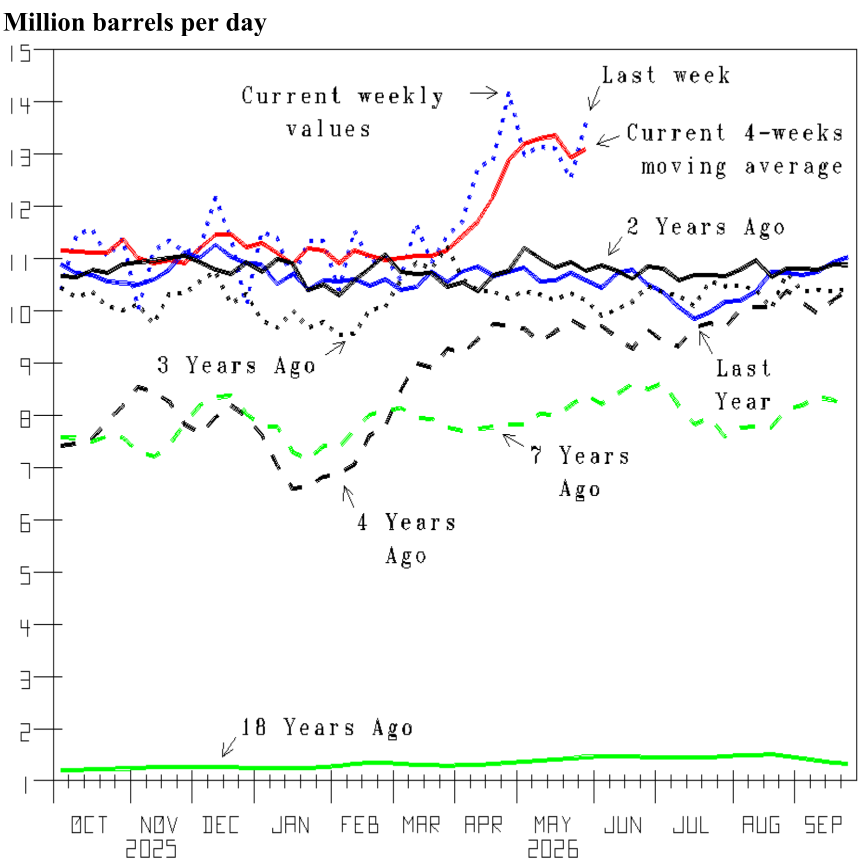



**Figure 22**
**U.S. Crude-Oil and Total Petroleum-Product Exports, latest weekly and 4-weeks moving averages (Src: Calculated from U.S. Department of Energy data)**

The Fracking Revolution has oil exports a major revenue source for the country. Freedom increasing, here and Over There and now a Peaceful Middle East the goal has us predict much more prosperity produced and many more Over There being Blessed.

Rulers providing privileges by taking prosperity (not producing it) and dictating dominates mankind's existence. But many have been Blessed by the decades without the death and destruction of invasions like Russia's, Hamas's and Iran's terrorism.

We credit the huge communication technology advances for more learning that producing-and-gainfully-bartering prosperity is the way to live—do it and power wonderful, upward-mobility-of-the-masses growth with fossil fuels, the stored-best solar energy and easiest to use. It keeps us hopeful and predicting prosperity production grows worldwide.

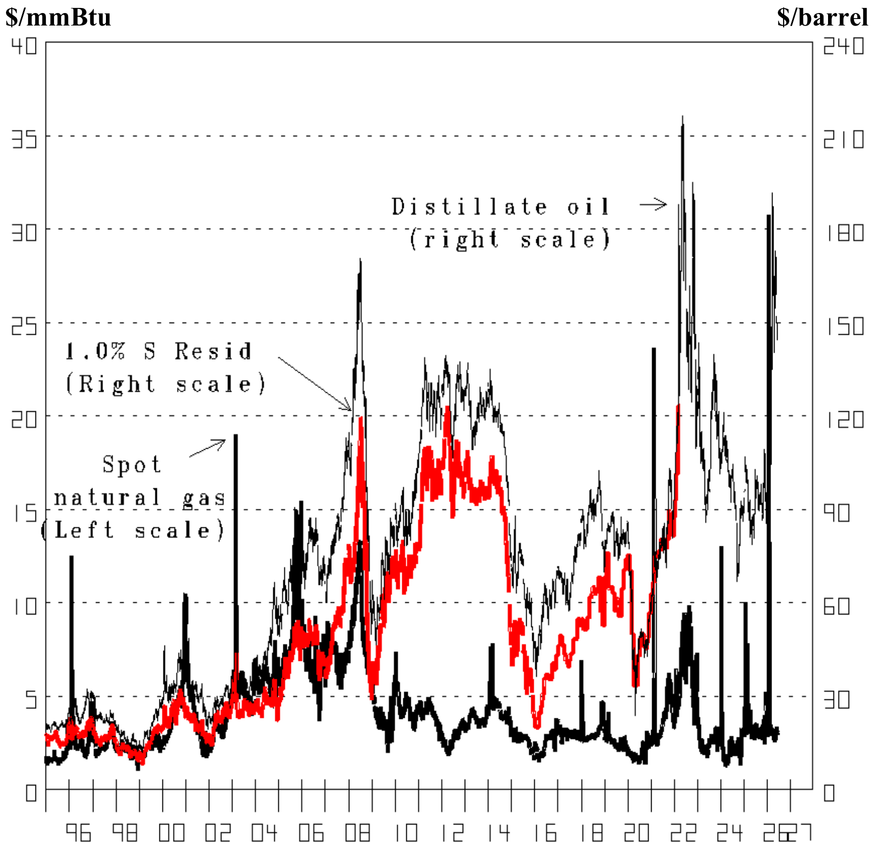



**Figure 23**
**U.S. East-Half Price Comparison; Henry Hub spot gas versus East Coast distillate and 1.0% S residual oil & 1.0+% after 3/31/19; (Src: Gas: WSJ; Dist. Oil-Platt's Oilgram, NYMEX 12/14/15 to 12/29/23, DOE Since)**

Distillate above $180 per barrel with Russia invading and then $210 and natural gas $23.61 February 23, 2021, and above $31 last January, highlight the very high value of what oil and gas fuel; why rulers can and do impose very high taxes on them. It also highlights panicked opposition to fossil fuel that has notably limited natural gas supply (i.e., pipelines), so distillate oil replaces it. Plus, both replacing every day, solar and wind electricity supply short/shortfalls.

Despite Northern Hemisphere winter's mostly delightfully mild having distillate down much from 2022's highs. Oil price highs were exaggerated by the May Brent crude oil, heating oil and gasoline futures contracts expiring. Sellers caught short.

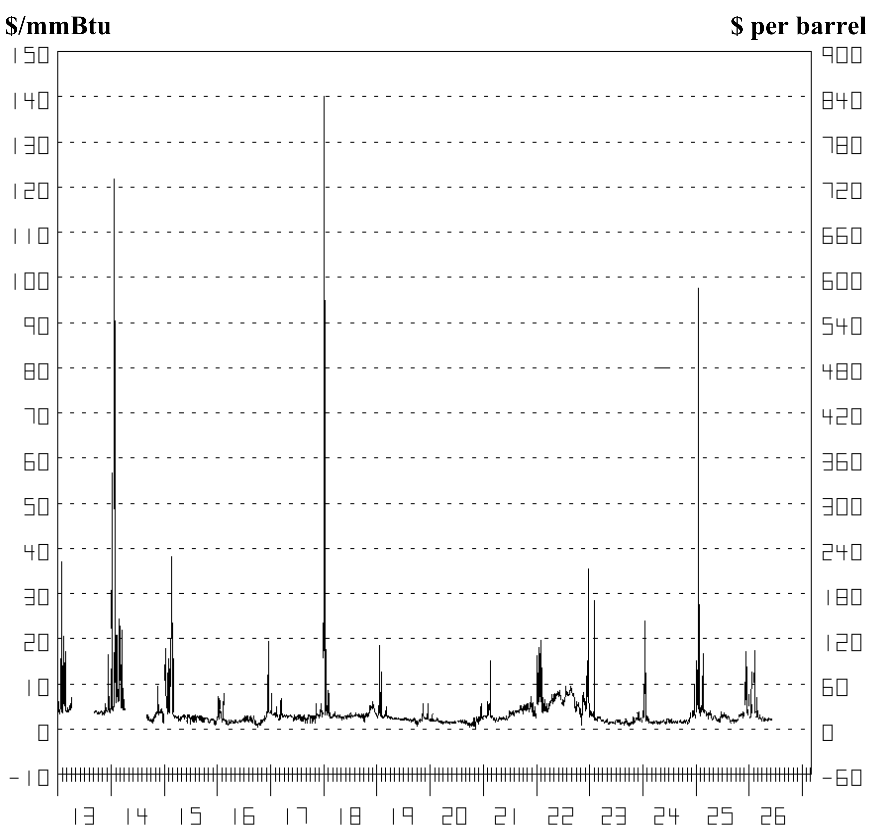



**Figure 24**
**Transco Zone 6,**
**Spot Market Natural Gas Price**
**(Src: Department of Energy [DOE])**

Cold air happening had this price above $6 & up to $17 twice after December 1st. It highlights supply growth fallen short of demand growth and fossil fuel use hasn't CO2'd cold air away. It also highlights rulers opposing increasing natural gas supply. $17 price spikes are the consequence of increasing capacity to New York & City successfully prevented.

Indoctrinated Climate Change fear still high and emphasis on emphasizing ESG as a "Must," keep us continue predicting the consensus will be caught with its gas-demand-and-price-expectations down. This price averaging $6.845 in 2022, what we have/continue predicting, reflects long lead time supply and demand infrastructure trends being caught up. Depletion noticed, consensus-beating demand growth, Russia offset plus Middle East damage recovered need $7 sustained for years to fund more much-needed Drilling Boom.

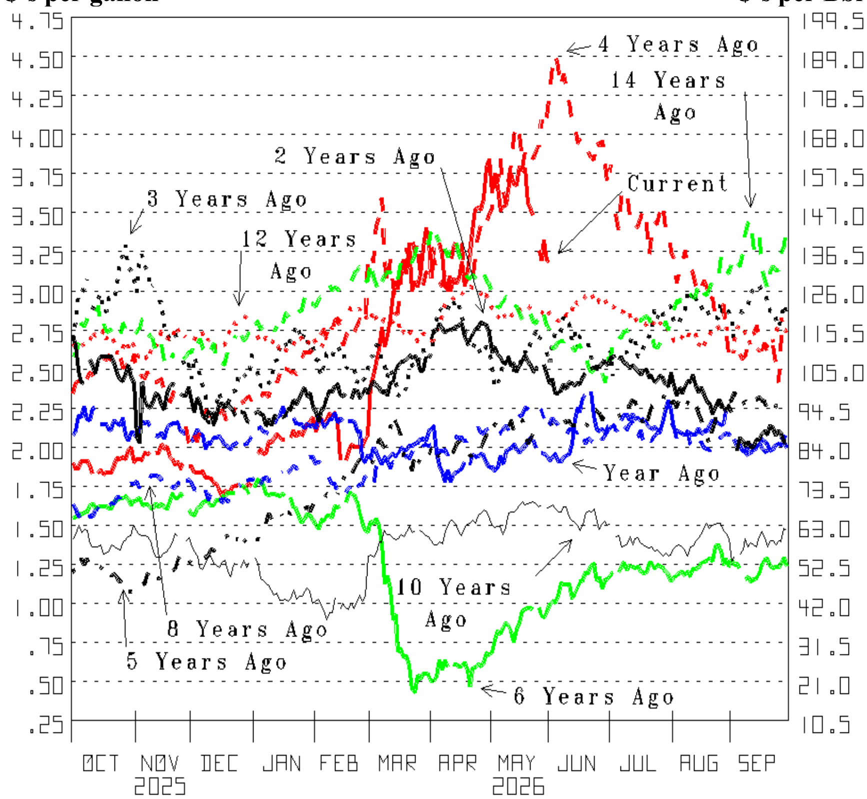



**Figure 25 Regular unleaded gasoline price, New York Harbor cargo, spot and RBOB closing futures price 12/14/15 to 12/29/23 (Src: Platt's Oilgram data, NYMEX via CME Group & DOE since 1/2/24)**

The big 2020:Q1+ Coronavirus collapse (green line) increased the confidence of those thinking oil bearish. We credit last Spring below $2 to Tariff/Recession/over-supply fear. $3.25 now is Strait of Hormuz.

We predict consensus-beating growth is the future. Crash 2008 happened because oil's high cost ran into over built housing and vehicle sectors. Working off that inventory high had many lose jobs and mortgages unable to be paid they expected to pay. Inflation high reflects more needing to be supplied. Especially more oil & natural gas, housing, and vehicles to solve inflation's burdens and foolish Climate Fear, cost-of-living-increase dictates. Plus winning the 40+ years Iranian ruler's war.

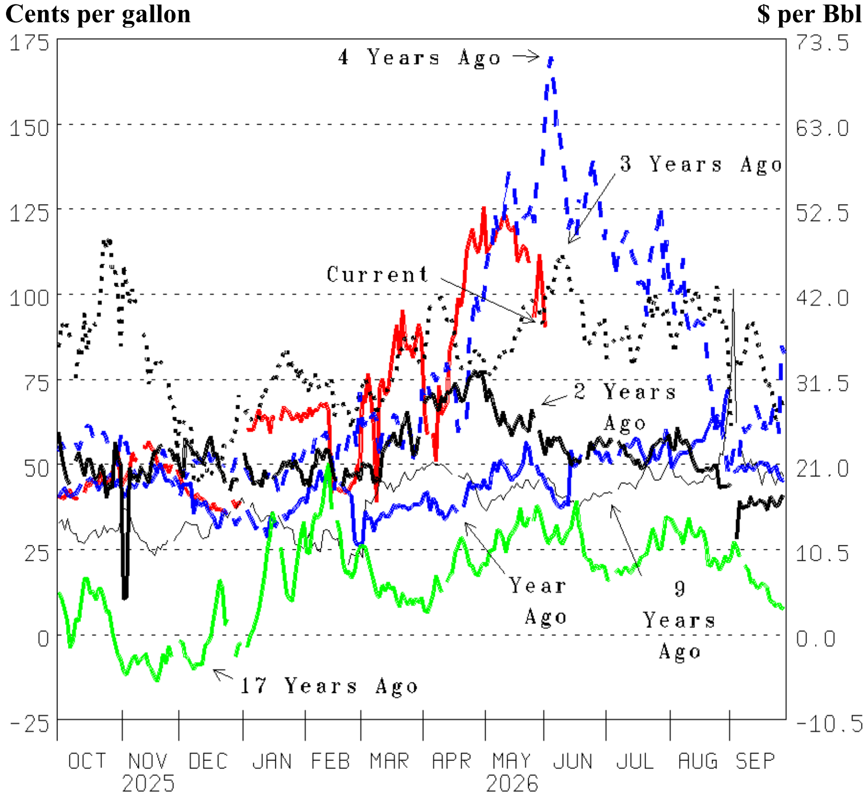
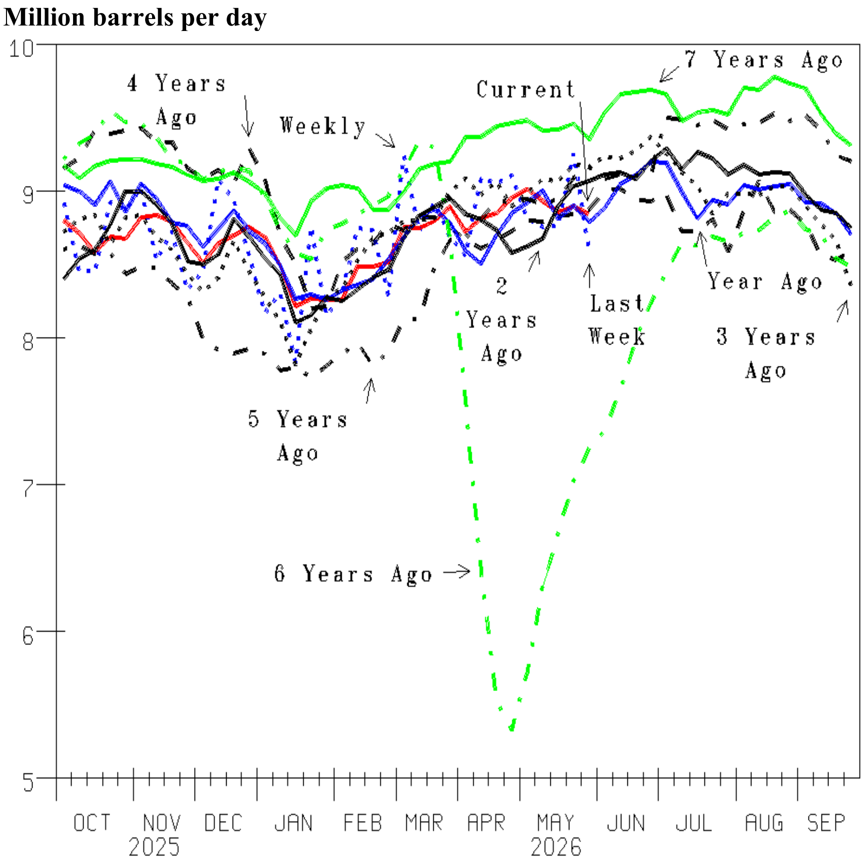



**Figure 26 Margin for East Coast gasoline; unleaded regular gasoline minus West Texas Intermediate crude (WTI), since 12/21/15—RBOB gasoline versus WTI future with 156.4 cents April 20, 2020 excluded (Src: Calculated from Platt's Oilgram & NYMEX data)**

We note: ruling elites do not understand the importance of infrastructure driving better lives, it maintained and expanded so more prosper. Rulers consume/waste funds and hinder opposition to ensure they rule. Iran's huge weapon capabilities highlight that. Much accomplished having Peace soon will increase both supply & very good demand.

Climate Change Fear helping rulers dictate (to keep them ruling) has high-cost alternatives inflating that have been greatly hindering reducing/eliminating poverty. We predict awareness increasing, of how and why things work, will Change Policies/is changing them that will have more people worldwide being fueled producing the ingredients of and living better, more prosperous lives.

**Figure 27**
**U.S. Gasoline demand/shipments – Four-week Moving Average and the recent weeks (Src: Depart. of Energy data and calculated from it)**

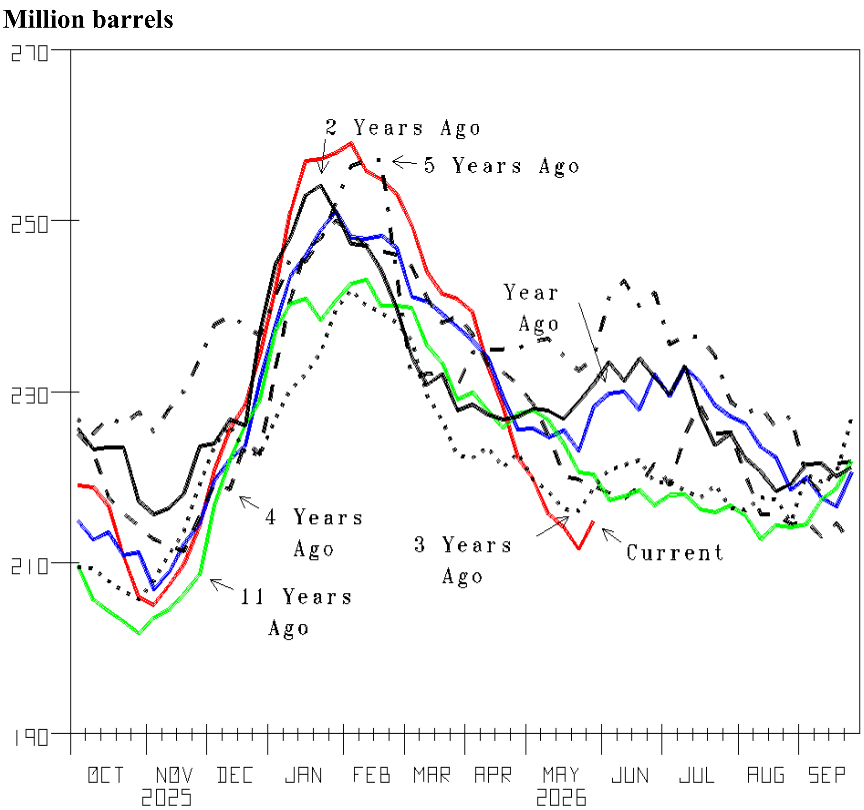



This data is shipments out of the U.S. oil-refining system, not consumption but many think it is which encourages bearishness and bullishness. Coronavirus shut-ins big and quick made 2020's spring drop (green bold-dot-dash) fast and overdone. Prices now reducing demand + increasing supply, plus Peace have us predicting better next.

Higher YOY Mar & Apr has now the same.

The U.S. a little over 4% of the world's population but 18 to 20% of world oil consumption highlights most Over There yet to be fueled. Another 600-800 million of the world's billions Participating in healthier gainful-bartering, upward-mobility lives have us heading UP, with communication improving. Plus Prosperity focused peace coming with the major rulership changes in Iran and Venezuela.

**Figure 28**
**U.S. Gasoline inventory**
**(Src: Department of Energy)**




This inventory highlights much being fueled, more refining capacity needed. What was gone before Epic Fury highlights good demand from growth recognized having very good preparation happen.

Our bullishness is powered by what and how oil and natural gas fuel producing wonderfully-high-value. And both needed to fuel consensus-beating growth plus make up for all the limitations and high total cost of solar and wind. Also, ending Iranian ruler's decades of war adding to Russia, Romania and Hamas's destruction. Plus China lagging and slow needing to be made up. We predict U.S. Tariff efforts (a tactic, not a policy) work plus peace achieved increasing world prosperity producing good activity Over There. Revenue that went to rulers used for and through the commoners.

**Million barrels per day**

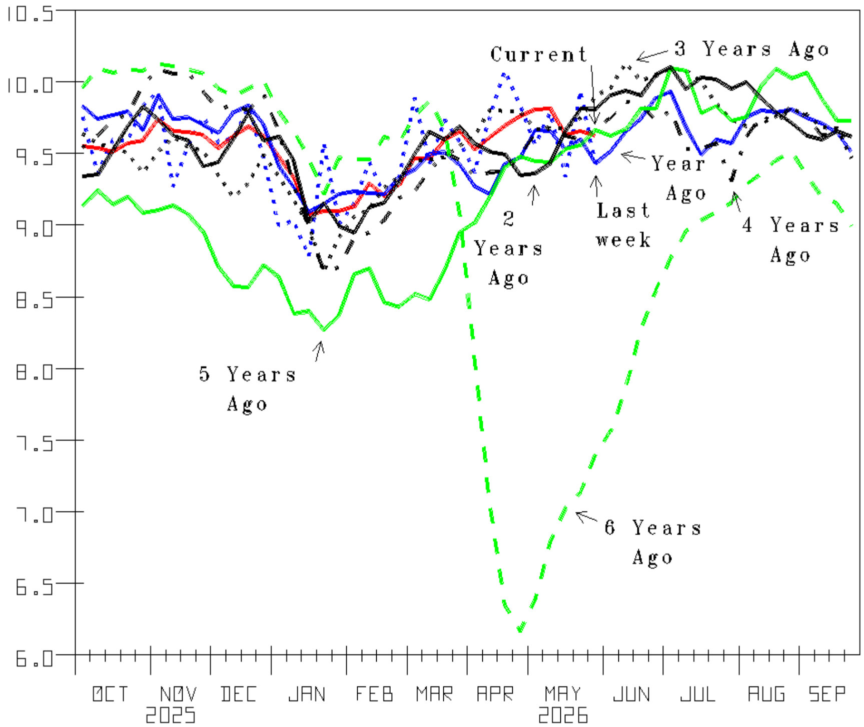



**Figure 29**
**U.S. Gasoline production—4-weeks moving average and most recent weekly quantity**
**(Src: Calculated from DOE data)**

Less being produced was refining capacity issues—so catching up is happening.

We expect faster U.S. demand/prosperity growth, as making up for Iran destruction join's Russia's and Hamas's. Policy changes for peace plus ending hundreds of billions of wasteful spending to alleviate man-made Climate Change fear has us predicting: the future for the U.S. is that of a strong, better-lives-producing growth engine. Climate Change fear is a hoax. Our prediction: "Net zero CO2 is a foolish and extremely costly pursuit" is being recognized as dramatically increasing the cost of living with no benefit. Correlating temperature with the atmosphere's carbon dioxide content is easy if sunshine variation and earth-orbit variation are left out.

**$'s per gallon** **$'s per Bbl**

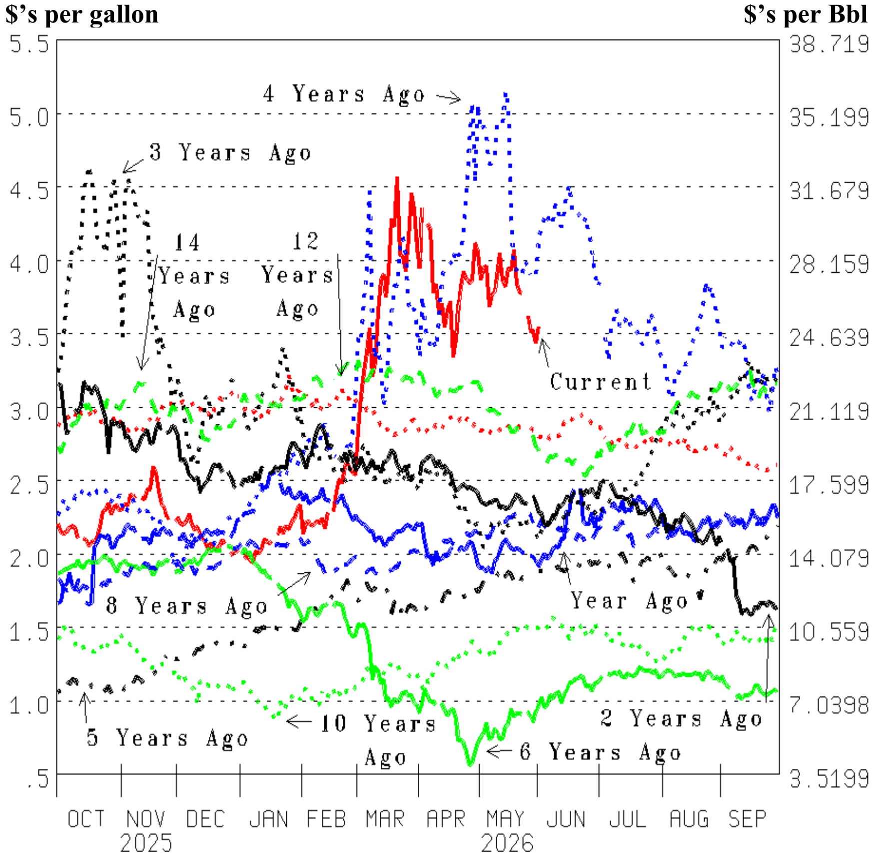



**Figure 30**
**Average East Coast Spot Distillate Oil Price and Heating oil closing futures price 12/14/15 to 12/31/19 (Src: Platt's Oilgram data, NYMEX via CME Group & DOE since 1/2/20)**

U.S. consumers have benefitted greatly from oil supply increasing; precisely what healthcare needs—high prices/cost/revenue stimulating more and better supply of what is needed, when and where needed. Over There using more diesel oil. Plus, the Northeast coldest needing heating oil. Plus, political hindering having diesel generate more electricity provided another big price jump. Winter over has us predict its peaked.

U.S. consumers are benefitting with lower gasoline cost, from the worldwide effort to produce distillate oil (because diesel fuel dominates Over There), over producing gasoline. Nevertheless, much more prosperity-producing ingredients, like oil, are needed to help the poor, no/low-experienced move out of poverty into upward mobility, gainful-bartering, producing, and enjoying prosperity Participation.

Million barrels per day

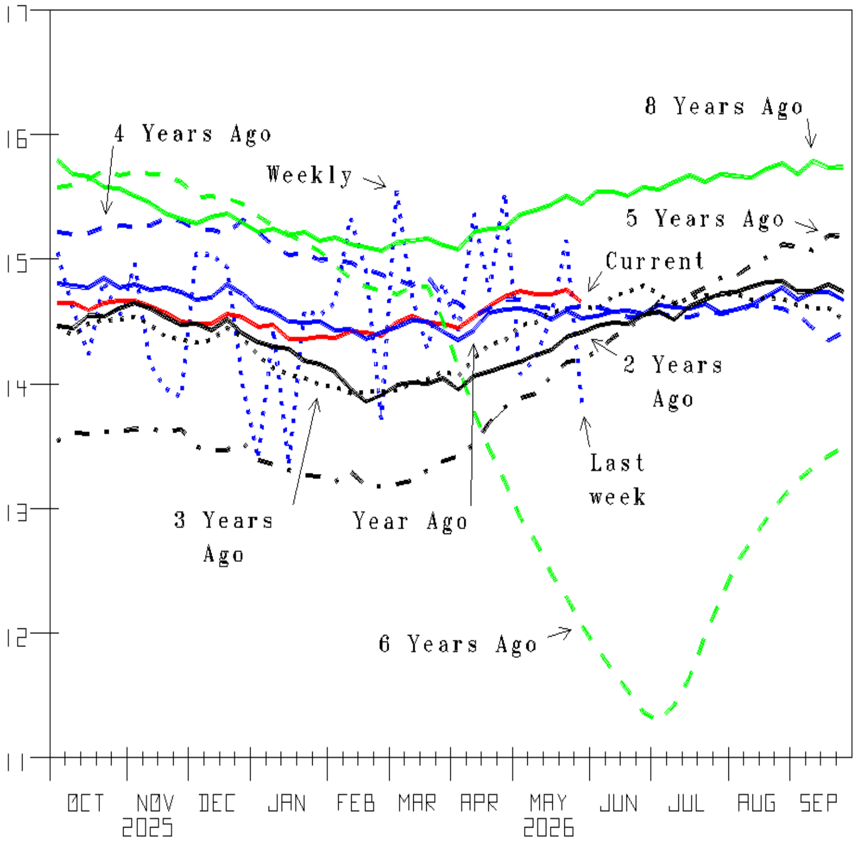



**Figure 31**
**U.S. Total Oil Product Demand**
**Gasoline, Distillate, Kerosene, and Resid**
**(15 Weeks MvAvg; Src: Calculated from Department of Energy data)**

We credit supply challenges and much mild temps for the latest 3 Winters falling well short of 4 years ago. + inflation, high interest rates/uncertainty tempering. The seasonal, 15-weeks average low is also Holiday time off, Christmas & New Years Day temporarily minimizing shipments.

Iranian ruler's war needing ending, plus Russian destruction, and China restrained have/are increasing the pile needing to be done. That + Climate-Change stimulating overdue, power our "Demand-growth exceeding supply-growth" outlook.

While Biden Administration's dictates slowed, technology continues helping a couple of billion people continue moving UP, seen by fossil fuel needs pre-Russia.

Million barrels

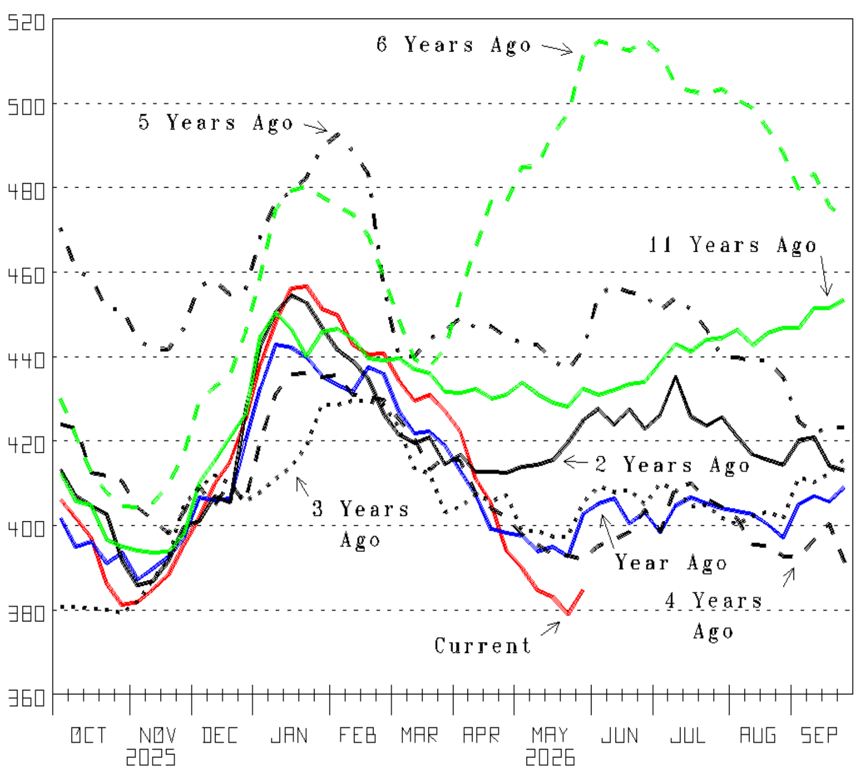


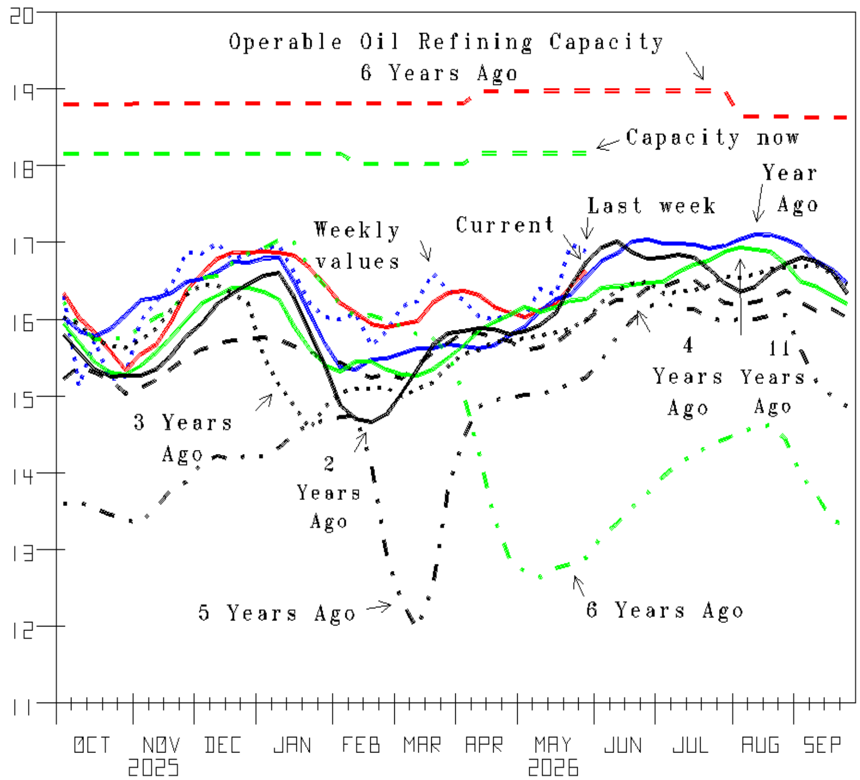

**Figure 32**
**U.S. Total Major Oil-Product Inventory**
**Gasoline, Distillate, Kerosene, Residual**
**(Src: Calculated from DOE data)**

Much mild + refinery runs catching up switched this from YOY bottom to top. Ending the rulers of Iran's war has it too low but, encouraging those who produce prosperity producing ingredients. We credit more learning good Doing/Being/ Having makes life worth living. It requires warfare ended plus much recovery/growth & movement fueled.

Ruling elites here blaming and punishing employers, sadly high inner-city-school dropout rates/poor education and college educations costing more but preparing for upward-mobility-careers less provide big, positive, Policy-Change-Opportunities. Technology helping more learn to prosper doing things on their own (especially minorities and billions Over There) has us predict: More Participating needing much more fossil fuel is the direction we head.

**Figure 33**
**U.S. Oil Refinery Runs – Four-week moving average and the latest week**
**(Src: Calculated from DOE data)**

**Million barrels per day**

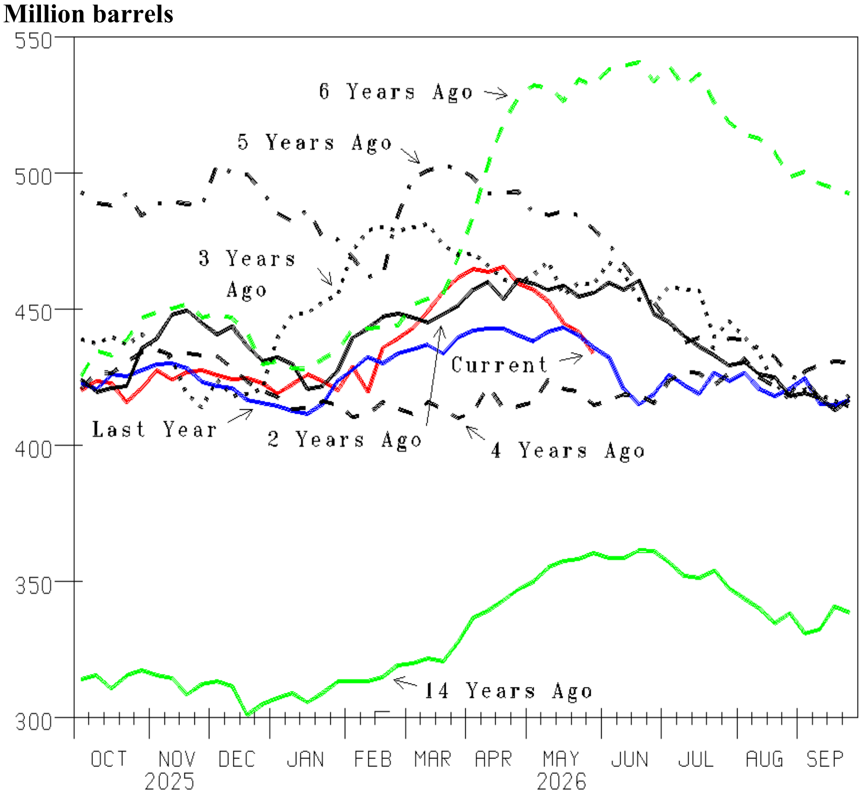



More in the world learning to live better lives needs fuel—refinery runs continuing to increase with notable, YOY increase continuing. That plus less crude-oil supply growth next, power our many-years bullish, oil-investing outlook.

While the virus shutdown running into the divestiture and ESG movements pressured oil and natural gas lower, U.S. oil refiners benefit from infrastructure decisions driving consensus-beating demand growth. That despite all the rules/regulations and dictate cost increases. Ending Iran's rulers war now adds to refiners benefitting from Russia's destruction and much destruction of its supply capabilities.

**Figure 34**
**U.S. Total Commercial Crude Oil Inventory**
**(Src: Department of Energy data)**

**Million barrels**




The 2020:Q1+ inventory jump (green dash) with coronavirus demand collapse highlighted the bearish, "no-place-to-put-it" thinking. Up to a new multi-year, mid-February-three-years-ago-high reflected hidden barrels back to being counted and refinery runs temporarily low (Figure 33).

Refinery runs getting up in June and remaining high reduced this crude oil inventory and days of supply (Figure 35) to too low. OPEC+ increasing supply had this inventory back in line with prior years temporarily pressuring crude oil prices (Figures A & 4). But ending the rulers of Iran's decades-long-war will have profitable prices for years, $80 needed to fund a Drilling Boom fueling hundreds of millions more in the World UP.

World-wide peace-pursued and achieved and, supply growth not as easy as many think fuel our bullish expectations.

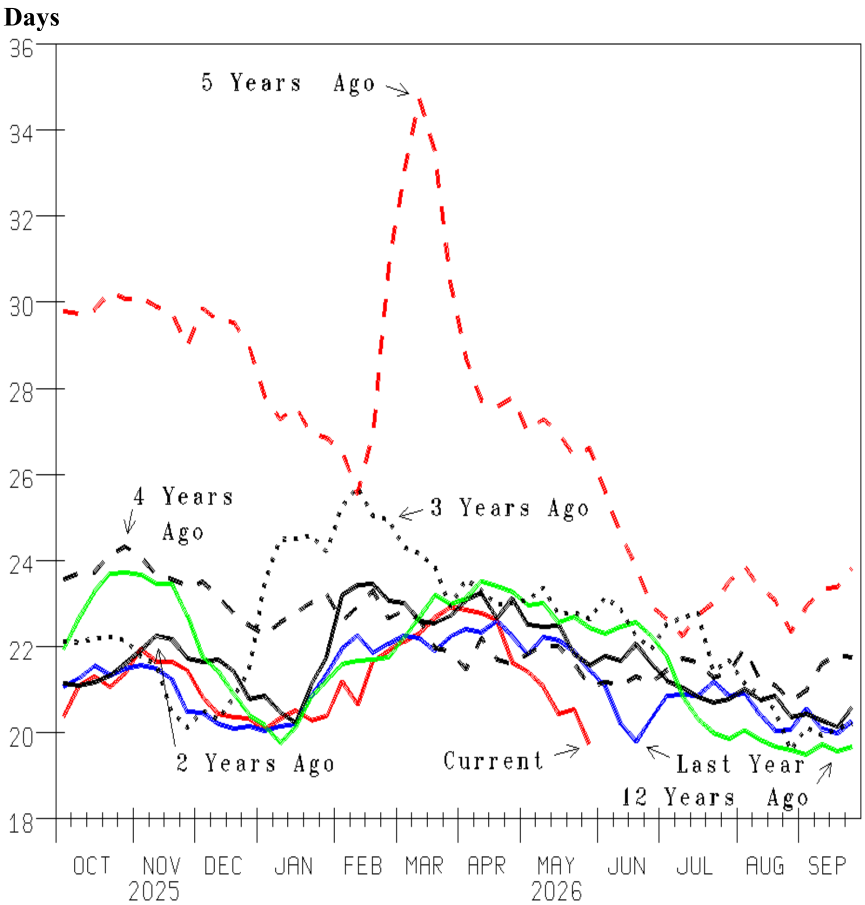



**Figure 35**
**U.S. Crude Oil Days of Supply; Inventory divided by four-weeks averages of refinery throughput and crude oil exports (Src: Calculated from Department of Energy data)**

This days-of-crude-oil-supply measure includes exports which are now and will be needed more.

Much more "Drill-Baby-Drill" is needed including offsetting and making up for all the consequences of ending the Iranian rulers war + Russia attacking and destroying. It is needed to fuel more of the billions still living hand-to-mouth lives (that the Coronavirus increased), becoming gainfully-employed-participants because Freedom Ringing (through using more telecommunication-technology-advances) and Freer trade drives UP. Please remember, too many illegal immigrants highlighted much more desire/oil & natural gas demand potential.

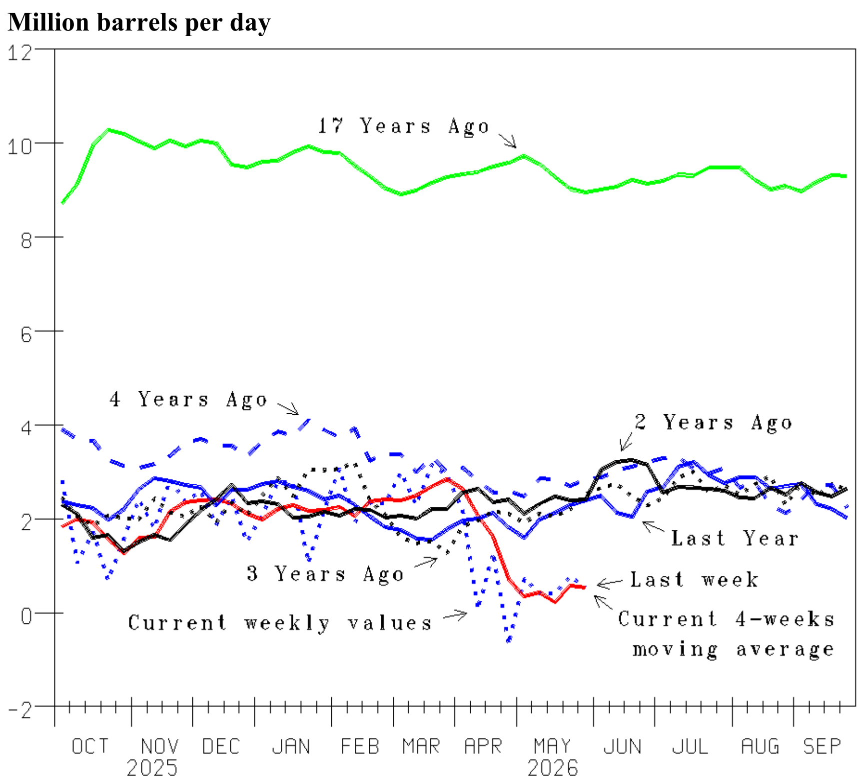



**Figure 36**
**U.S. Crude Oil Net Imports –four-weeks moving Averages and latest weeks (Src: Calculated from Department of Energy data)**

The prior $100+ per barrel episode that funded production growth ended in 2014 (most evident in China, Mexico, and Venezuela down 2.418 mmbd from highs to 6.970 in February). $100+ made The Fracking Revolution working for oil rapidly increase production growth. With that achieved the future does not hold the big Fracking Revolution productivity increases starting from scratch.

Crude oil days of supply very low (Figure 35) heading to lower highlights more needed. With the U.S. switched to a major oil & natural gas exporter, more Over-There employing Americans here will help fund America and reduce high U.S. debt. Nevertheless, U.S. crude oil and petroleum product imports averaging 7.490 mmbd the last four weeks highlights we are and will remain a major oil importer, greatly benefitting from it.