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Refined Fuels

- Production transition in Permian Basin: The recent explosive growth in the Permian Basin of Texas and New Mexico has allowed for the U.S. to become the world's top oil producer. In the early years, nimble smaller producers were able to utilize new technology of hydraulic fracturing and horizontal drilling to release the oil from the shale in this area but more recently the major oil companies have adapted and spent around \$10 billion buying acreage here since 2017.
- US-China Trade talks: In a further effort to end the eight-month trade war, the Trump administration has announced plans for Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer to travel to China next week for more face-to-face talks with Chinese Vice Premier Liu He. These are the first since President Trump's delay of a March 1st deadline to raise tariffs on \$200 billion worth of Chinese imports. Mr. Trump continues to indicate the talks are going well and administration officials suggest they are in the final stages. Last year, the U.S. trade deficit with China was a record \$419 billion.
- OPEC: Considering it appears to be too early to make production decisions for the second half of 2019, the planned April meeting is being scrapped by OPEC and instead a decision on whether to extend output cuts will not happen until June. This will allow additional time to evaluate the impact of Venezuelan crisis as well as the U.S. sanctions on Iran.
- Rig Count: Last Friday's Baker Hughes rig count showed that U.S. drilling activity is still at its highest. Oil rigs down 1 to 833 rigs which is up 33 from a year ago level.
- Crude Oil is at \$59.86 as of 3:30 p.m.

Propane

- Weather Outlook: The 6-10 day forecast for March 23 to 27 is calling for above average temperatures for much of the central and eastern U.S.
- Midwest LP Inventory: Midwest inventory is now 742,000 barrels less than it was last year. The less than expected drawdown in inventory seemed to help Conway propane values setting up what traders believe as "an opportunity to buy" come late spring/early summer.

FREE USED OIL COLLECTION - LAMOILLE FACILITY

THURSDAY, MARCH 28, 2019 10AM - 1PM

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