

Ag Land FS, Inc. Energy Market Update August 3, 2016 NYMEX Prices

	Close	Wk. Change
September Crude Oil	\$ 40.90	\$ -1.16
September Gasoline	\$ 1.3501	\$ +0.0242
September Heating Oil	\$ 1.2910	\$ -0.0057
September Natural Gas	\$ 2.845	\$ +0.173

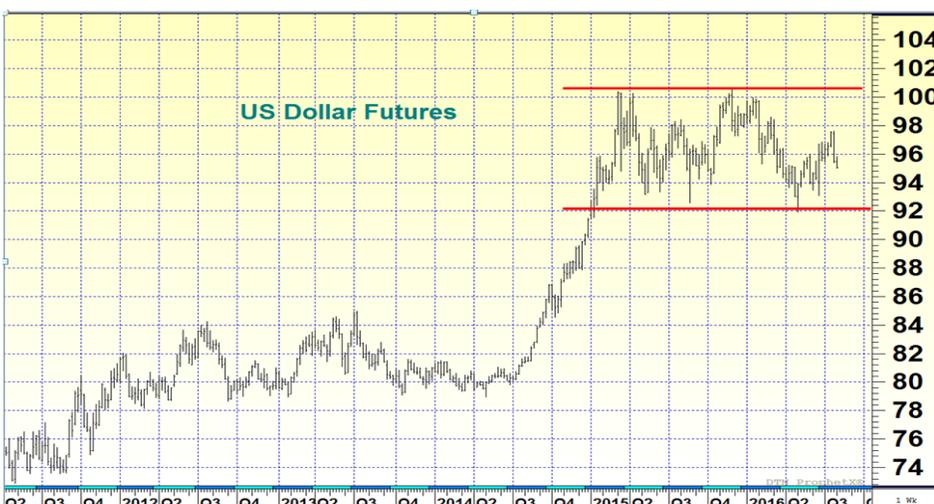
Market Comments: Energies all wrapped up higher on Wednesday

afternoon. Despite a generally bearish DOE report the energy markets started to climb late in the afternoon and closed firm. The markets were oversold and ripe for a correction bounce to the upside. Both U.S. stocks and the dollar closed higher.

	Crude				Gasoline				Distillate Fuel			
	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.	Change	Total	3Yr Avg.	5 Yr. Avg.
DOE	+1.413	522.5	366	381	-3.262	238.2	216	216	+1.152	153.2	125	130
EST.	+0.500/-3.000				+1.000/-1.500				+1.000/-1.000			
Propane	Total 89.9 +0.3				Midwest 28.8 nc				Gulf 53.1 +0.3			
API's	Crude -1.300 Cushing -1.30				Gasoline -0.045				Distillates +0.539			

According to the official National Hurricane Center outlook forecasts Earl at just below hurricane strength at the current time.

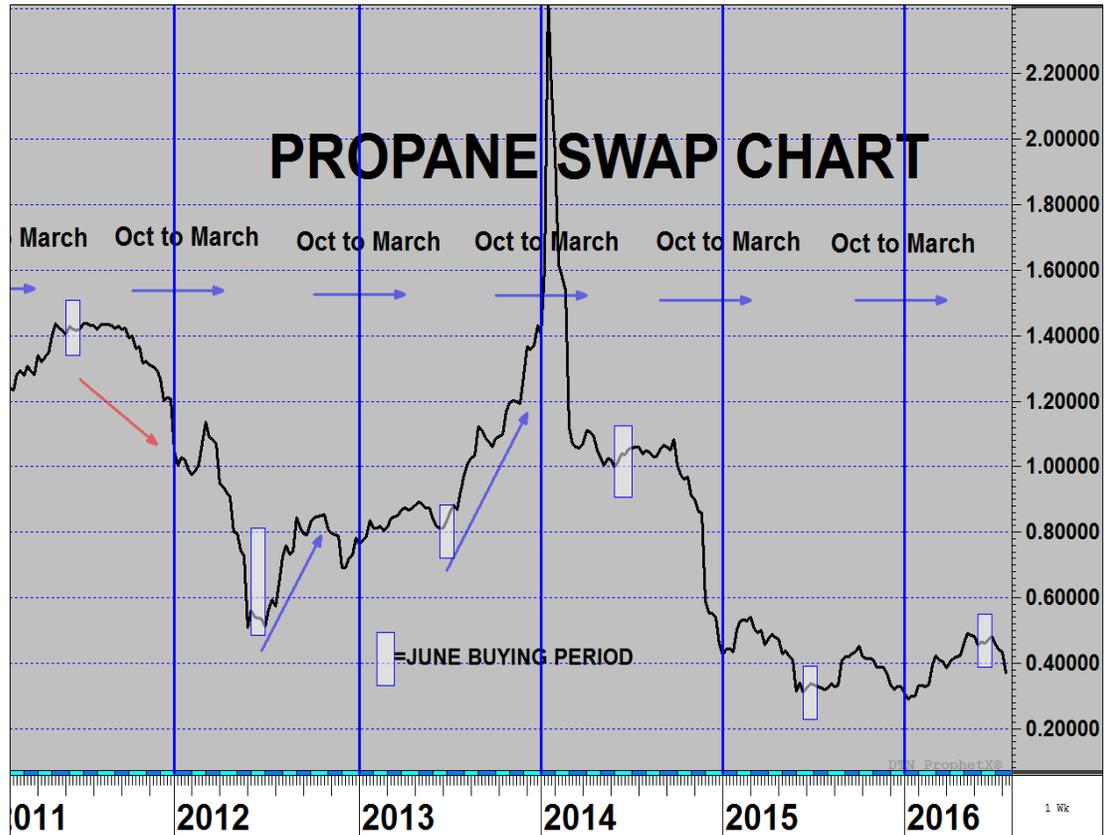
Iran's government has approved new oil field contracts designed to attract Western oil investors following the lifting of sanctions in January.



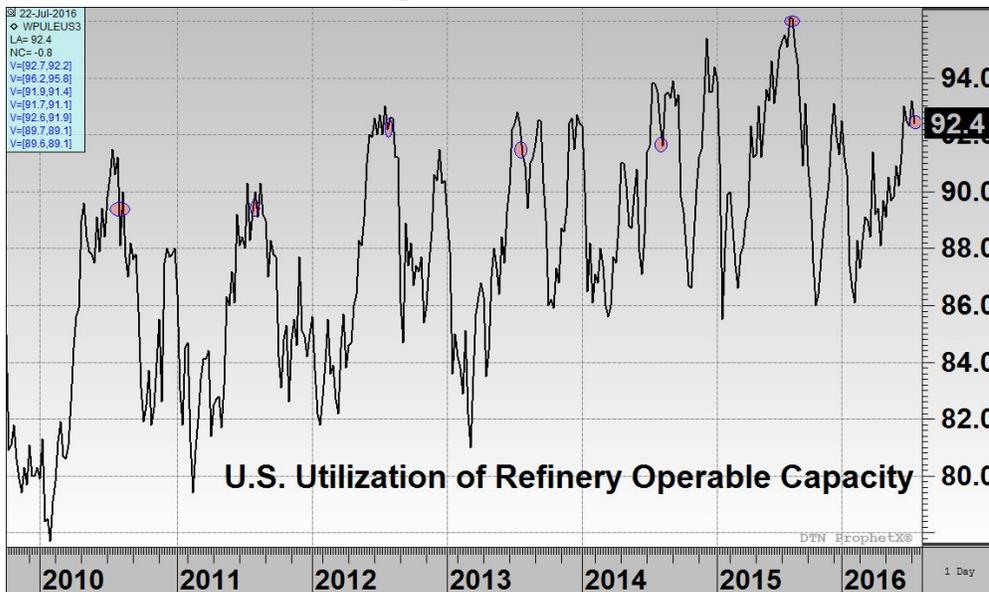
Going back to January 2015 the U.S. dollar has been tracing a consolidated range with the high at 100 and the low at 93. Most recently the U.S. dollar topped out at 98 and has since been trading a little softer. The next significant downside support comes in at the 93 region.

Propane has slumped along with the drop in crude oil prices. With prices approaching lows from earlier in the year, it is a good time to fill customer tanks and look at contracting Fall / Winter 2016/2017 and also 2017/2018.

On Friday, Baker Hughes Inc. reported the number of active oil rigs in the U.S. rose by one during the week-ended July 29. This was the fifth straight weekly increase with the number of oil rigs put into service increasing by three this week to 374.



OPEC's crude production climb to the highest level in many years, a Reuter's survey showed on Friday. Iraq shipped more oil and Nigeria boosted its exports despite militant attacks on oil facilities. Saudi Arabia pumped close to a record high to meet seasonally higher domestic demand. The survey showed OPEC supply rose to 33.41 million bpd in July from a revised 33.31 million bpd in June.



Refiners are still operating at a high level of capacity (92.4%) for this time of year, although we are well down from last year at this time. You can see how volatile the rate can be, with one of the few seasonal things about it being that we tend to reach our lowest level in the first quarter of the year. Run cuts do seem to be one of the few answers to the oversupply of product present in the U.S. and globally, but

we have yet to see that materialize. We have heard rumors that some refiners are emphasizing diesel production over gasoline, or that some have quit production of summer gas, and began to make winter gasoline ahead of schedule. It is also thought that refiners will take their time on fall maintenance this year, and try to clear some product that way.