

Three Rivers FS, Inc.

Energy Market Update September 1, 2010

NYMEX Prices

Futures Prices as of the close on 9-1-10

Sep Crude Oil	\$ 73.91
Sep Gasoline	\$ 1.8891
Sep Heating Oil	\$ 2.0411
Sep Natural Gas	\$ 3.7620

Wild swings in energy markets have been the name of the game this week. Most of the volatility has come from equities pushing and pulling the energy commodities. The volatility will most likely continue this week with weekly jobless claims and August unemployment number being released later in the week. Most analysts aren't painting a rosy picture about forecasted numbers. However, short term cash markets for diesel are projected higher coming into harvest.

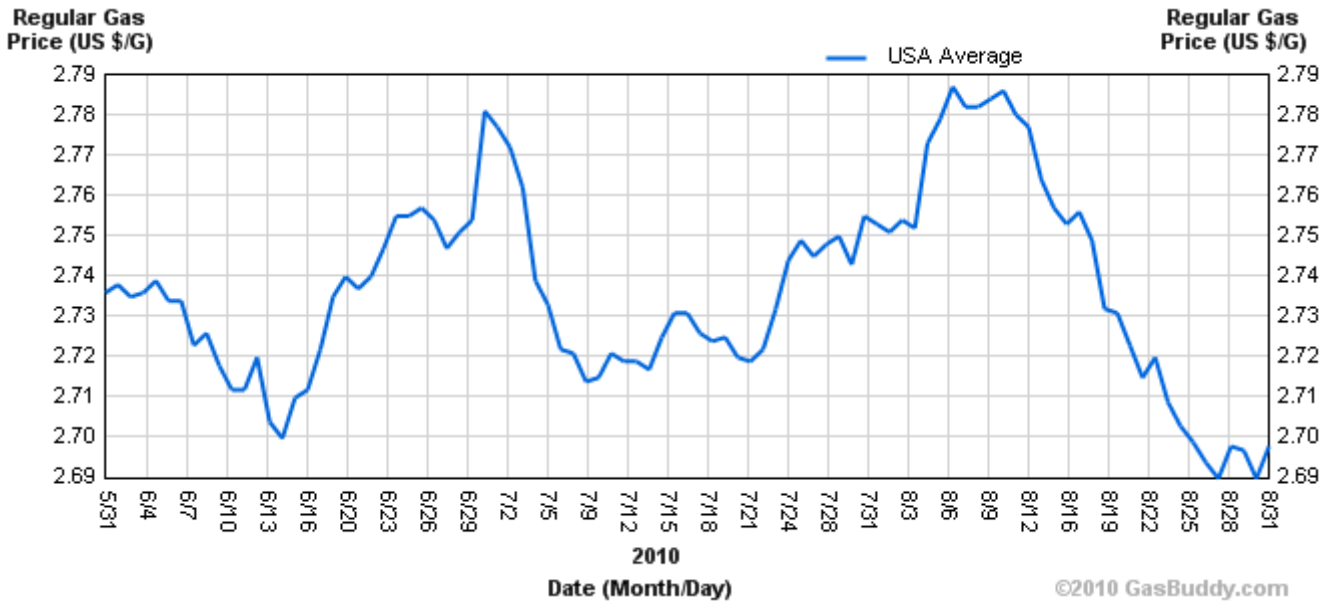
	<u>Crude</u>				<u>Gasoline</u>				<u>Heating Oil</u>			
	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>
DOE	+3.4	361.7	328	327	-.200	225.4	199	199	-.700	175.2	141	139
EST.	-2.00/+2.50				-1.50/+1.50				unch/+2.00			
Prop	U.S. Total = 62.5 +1.6				Conway = 27.9 +.900				Belvieu = 28.4 +.500			

PRICE CHARTS suggest more of a near term energy price rally. However, longer term charts still suggest the "possibility" of a large price break later in the fall. Stock market action will be key to energies as it has been for many months. Both markets look very strong so far today. The summer driving season is wrapping up as US drivers are enjoying some of the lowest gasoline prices since the third week of February. This week's average is \$2.68. Believe it or not, that is up 7 cents from last year's average at this time. The lower fuel prices will help millions of people who are expected to drive this Labor Day. According to the AAA 10.3 percent more Americans will travel by car.

WEATHER OR NOT: This has been a very warm summer in many parts of the US. We don't hear much currently from the naysayers regarding global warming. As fall approaches, there is a likelihood that it will be warm also. According to the WGNTV weather folks, warmer than normal fall weather has occurred about 78% of the time following warm summers like we have experienced this year. **But, COLD AND VERY SNOWY** is the new forecast for this winter from the Farmer's Almanac for the Midwest. This forecast, IF TRUE, would be good for winter propane demand.

<http://www.farmersalmanac.com/weather/2010/08/29/2011-winter-outlook-the-wait-is-over/>

GAS PRICES: The summer driving season is wrapping up as US drivers are enjoying some of the lowest gasoline prices since the third week of February. This week's average is \$2.68. Believe it or not, that is up 7 cents from last year's average at this time. The lower fuel prices will help millions of people who are expected to drive this Labor Day. According to the AAA 10.3 percent more Americans will travel by car.



ONE AFTER ANOTHER AFTER ANOTHER: The following image of the Atlantic ocean shows several tropical storms marching west. **HOWEVER**, for now, each of them turns north before reaching the Gulf of Mexico where many oil rigs are located. With so much activity out there, it seems likely that eventually one would make it to the Gulf. Several PA area refineries are watching the storm closely. Also, one of Canada's largest oil refineries is in the "potential" path of the storm and may curtail operations.

