



DAC Insights: Monthly Energy Investor Recap



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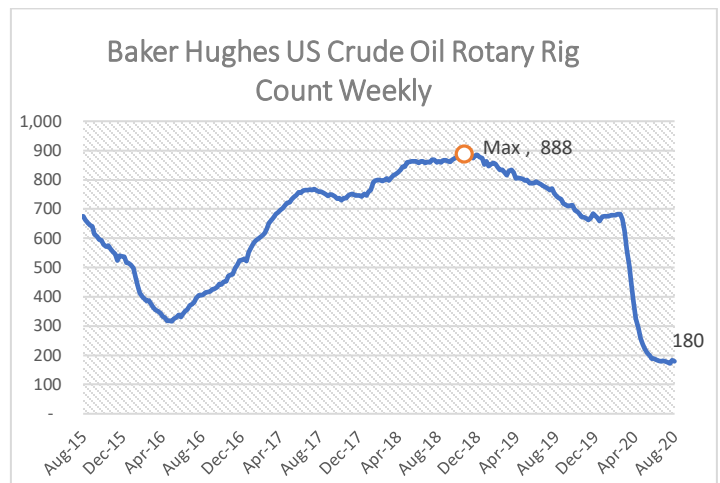
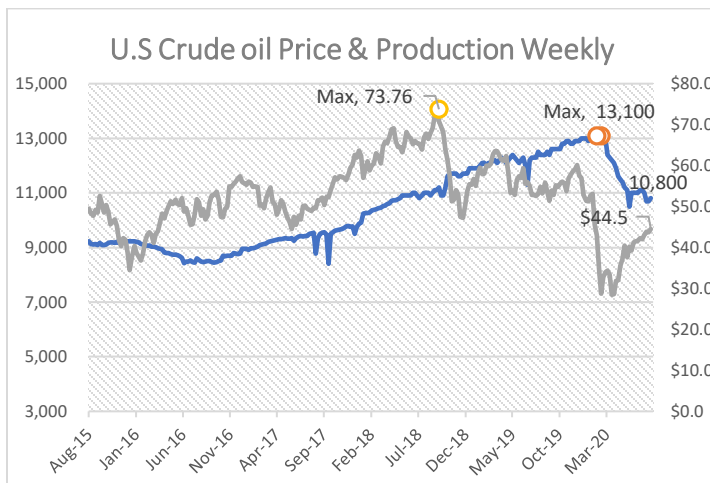
DAC Insights: Energy Investor Recap (Data for Week Ended: August 21, 2020)

By Susie Wang, Co-Chief Investment Officer and Director of Investment Strategies

August 28, 2020

U.S. Total Crude Oil Production and U.S. Crude Rotary Rig Count

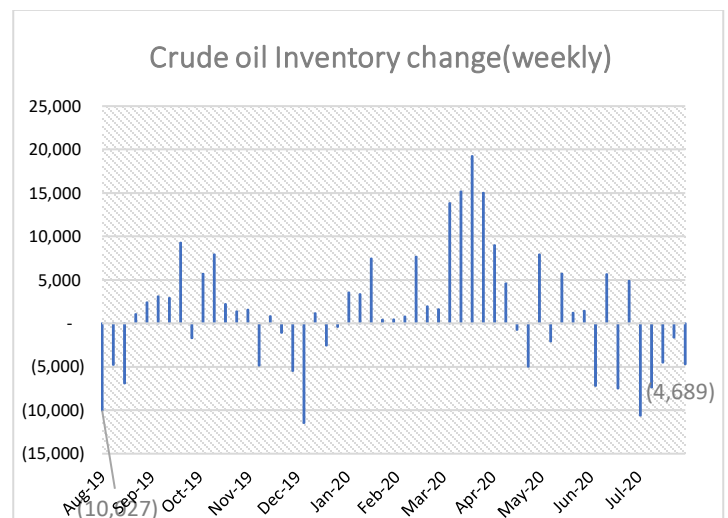
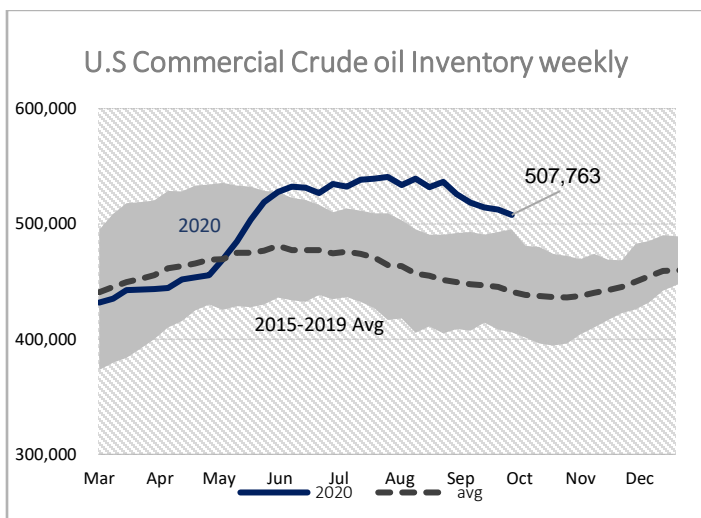
1. As of 7/31/2020, West Texas Intermediate (WTI) oil price was \$41.92 per barrel, 1.0% lower than the previous week at \$42.35 per barrel.
2. Crude oil production averaged 10.8 million barrels per day (bbl/d), which was 100,000 bbl/d more than the previous week's average.
3. The U.S. crude rig count dropped back to 180 from 183 the previous week; The historical low is 179 back on 06/05/2009.



Source: DAC, EIA, Bloomberg

U.S. Commercial Crude Oil Inventories (excluding those in the Strategic Petroleum Reserve) and Inventory Changes

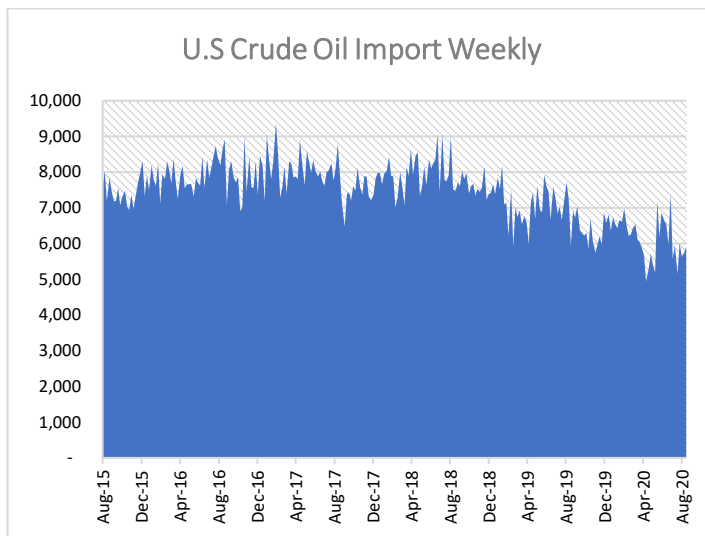
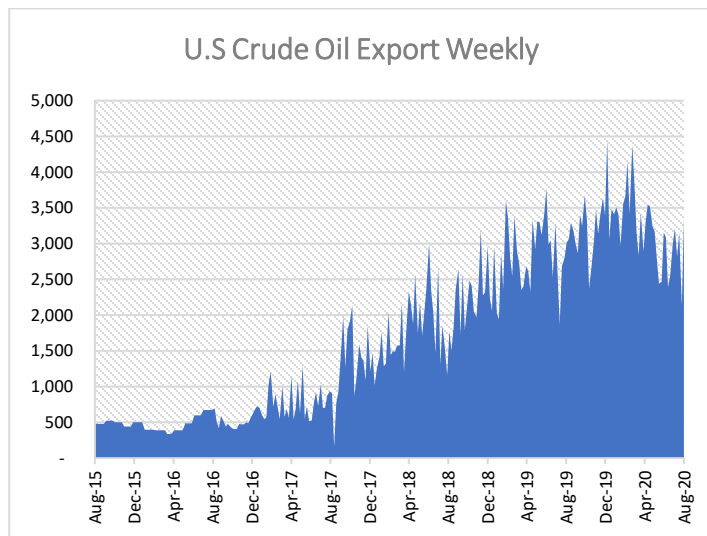
1. U.S. commercial crude oil inventories were 507.8 million barrels. This inventory level is about 15% above the five-year average for this time of year.
2. U.S. commercial crude oil inventories decreased by 4.7 million barrels from the previous week, the 5th weekly retreat since the week end July 17.



Source: DAC, EIA, Bloomberg

U.S. Imports and Exports

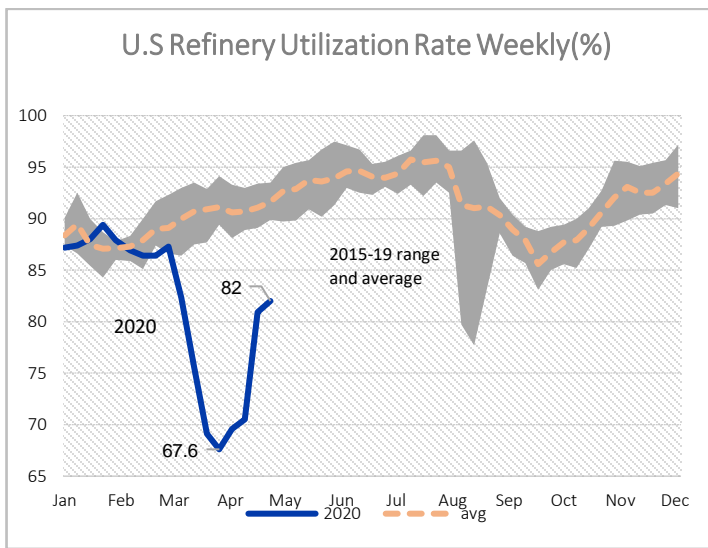
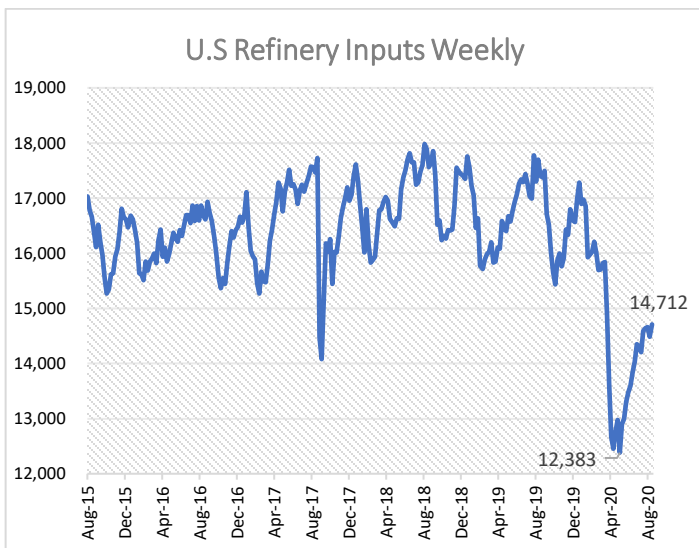
1. The U.S. crude oil exports averaged 3.4 million bbl/d for the week. Over the past four weeks, crude oil exports averaged about 2.9 million bbl/d, 10.5% above the same four-week period last year.
2. The U.S. crude oil imports averaged 5.9 million bbl/d last week, increasing by 185,000 bbl/d from the previous week. Over the past four weeks, crude oil imports averaged about 5.8 million barrels per day, 16.9% less than the same four-week period last year.



Source: DAC, EIA, Bloomberg

U.S. Refinery Inputs and Utilization Rates

1. U.S refinery inputs averaged 14.7 million bbl/d, 225,000 barrels per day, more than the previous week's average. The inputs increased 2.3 million bbl/d when compared to the May 8 low at 12.4 million bbl/d.
2. U.S. refineries operated at 82.0% of their operable capacity last week as compared to April low at 67.6%.



Source: DAC, EIA, Bloomberg

Charts of the Month

Midstream MLP performance during extreme hurricane season

The official hurricane season for the Atlantic Basin is from June 1 to November 30, and the peak of the season is from mid-August to late October, according to NOAA. Midstream MLPs are operators of pipelines, storage facilities, terminals, etc., and severe weather events can cause operation disruption and assets damage. We listed the top 10 costly hurricanes that hit the Gulf of Mexico and the performance of Midstream MLPs during and after those extreme events. As you can see from the table below, the most impact is felt during three months after the events. For a span of 12 to 24 months, the performance was generally positive.

The Costliest Hurricanes in 2000s and stock market performance
AMZ INDEX

				Alerian MLP Index Total Return								
List of Events												
Date of Event	Index level	Event Name	Eco Impact (Bn)	Prior 3 Days	Day of	Next Day	Next week	Next Month	Next 3 Mo	Next 12 Mo	Next 24 Mo	
8/25/2005	255.5218	Katrina	\$125.0	1.01	-0.15	-0.30	1.17	-0.18	-2.52	8.68	36.47	
8/25/2017	274.9285	Harvey	\$125.0	1.51	0.24	0.00	2.65	3.79	-3.91	13.69	-4.15	
9/20/2017	281.067	Maria	\$90.0	-0.49	-0.21	-0.69	0.88	-2.83	-1.31	7.11	0.23	
10/29/2012	406.5604	Sandy	\$68.7	0.00	0.00	0.00	-0.06	-0.91	5.79	19.86	41.37	
9/10/2017	279.63	Irma	\$77.2	-0.58	0.00	0.00	0.57	2.10	-4.15	7.75	-2.56	
9/13/2008	250.199	Ike	\$38.0	0.34	0.00	0.00	1.78	-12.69	-22.38	13.04	62.09	
9/16/2004	211.8254	Ivan	\$26.1	-0.56	0.30	0.56	2.54	5.16	9.71	30.13	38.14	
10/10/2018	276.0516	Michael	\$25.1	1.05	-2.00	-1.55	-1.22	-5.76	-7.96	-12.50	-45.49	
9/14/2018	280.07	Florence	\$24.2	-0.41	-0.47	0.00	-0.55	-3.34	-10.55	-8.07	-46.27	
9/24/2005	254.9347	Rita	\$18.5	-1.14	0.00	0.00	0.65	-1.12	-6.11	5.10	33.24	
AVERAGE				0.07	-0.23	-0.20	0.84	-1.58	-4.34	8.48	11.31	
Median				-0.21	0.00	0.00	0.77	-1.01	-4.03	8.21	16.73	

Source: Bloomberg, Wikipedia, Dividend Assets Capital, LLC

Disclosures:

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The Alerian MLP Index (NYSE:AMZ) is a widely recognized, unmanaged index that includes a composite of the 50 most prominent energy MLPs. The S&P 500 Index is a market value weighted index consisting of 500 stocks chosen for market size, liquidity and industry group representation. These indexes are unmanaged, and you cannot invest directly in an index
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