

## Executive Summary

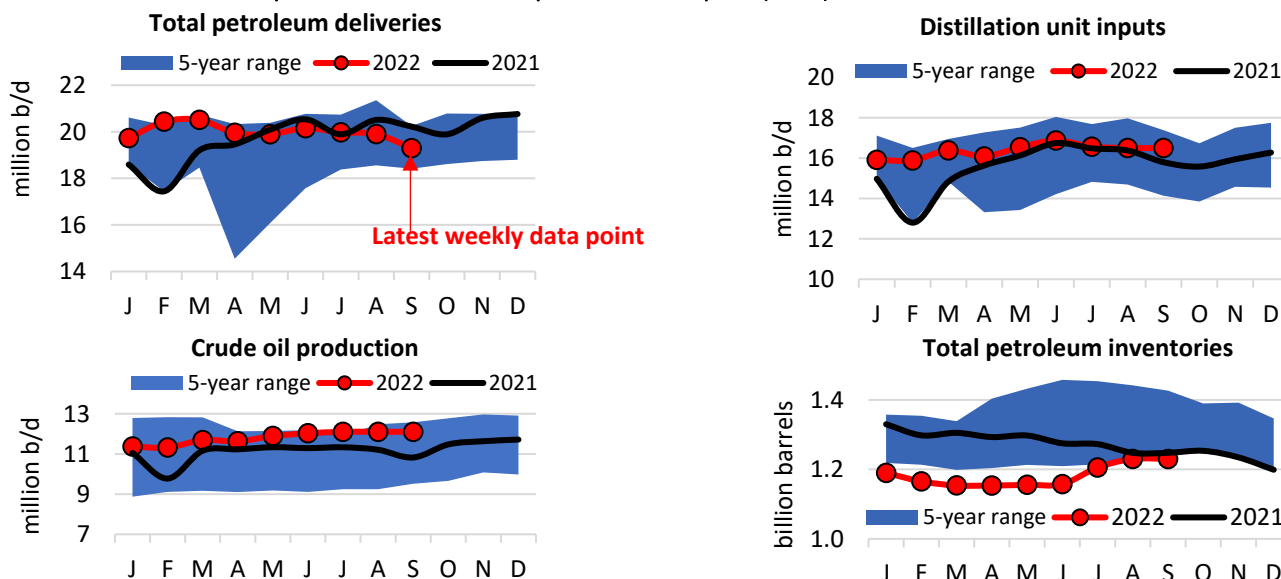
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended September 9, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

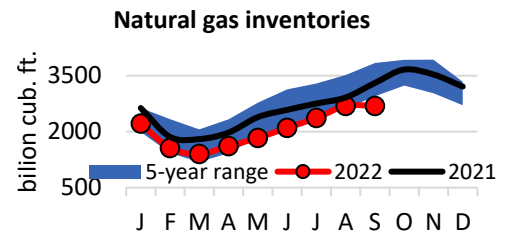
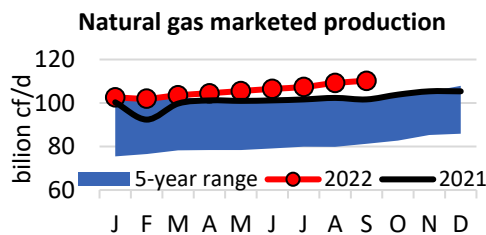
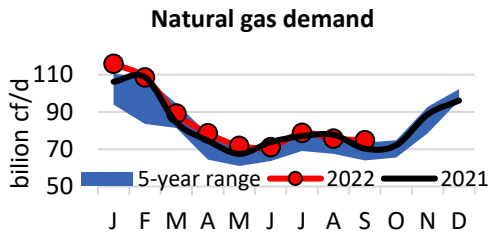
### U.S. oil demand decreased; production was flat; net exports grew; combined commercial and SPR petroleum inventories fell; and prices rose

- Prices.** Crude oil spot prices as of Sept. 13 were \$87.31 per barrel for West Texas Intermediate (WTI) crude oil and \$8.38 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 10:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices rose by 0.5% week-on-week (w/w), while natural gas spot prices decreased by 1.2% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were approximately 19.3 million barrels per day (mb/d), which reflected decreases of 2.9% (0.6 mb/d) w/w and 3.2% (0.6 mb/d) year-on-year (y/y). The weekly change was driven by decreases in distillate fuel (0.5 mb/d w/w), residual oil (0.3 mb/d w/w) and motor gasoline (0.2 mb/d w/w).
  - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking and [DAT](#) freight monitoring showed decreases in weekly flight activity and freight spot truck posts.

Refinery gross inputs of 16.5 mb/d decreased by 0.7% w/w for a second consecutive week but remained up by 7.0% y/y. This implied a capacity utilization rate of 91.3% per API. Natural gas demand of 70.1 billion cubic feet per day (bcf/d) decreased by 2.1% w/w (upward revision of 0.7 bcf/d to previous week) but rose 11.3% y/y for the week ended September 7 (latest) per EIA. The weekly decrease was led by power consumption (down by 1.3 bcf/d w/w).
- Supply.** As of September 9, U.S. production of crude oil remained unchanged at 12.1 mb/d, but natural gas liquids increased by 1.2% w/w to nearly 6.0 mb/d. Natural gas marketed production of 111.4 bcf/d rose by 1.0 bcf/d w/w and also was up by 7.5 bcf/d y/y as of September 7 per EIA.
  - Baker Hughes reported 591 U.S. oil-directed rigs running as of September 9 – down by 5 rigs for the week but up by 190 rigs y/y. Gas-directed rigs were at 166, up by 4 rigs for the week and up by 65 rigs y/y.
- International trade.** For the week ended September 9, the U.S. was a net exporter of 2.4 mb/d of crude oil and petroleum products (5<sup>th</sup> highest weekly amount on record), which expanded by 1.7 mb/d w/w, due to decreases in the imports of crude oil (-1.0 mb/d w/w) and refined products (-0.7 mb/d w/w). U.S. natural gas exports (LNG: 11.2 bcf/d; pipeline to Mexico: 5.5 bcf/d) remained steady for the week ended September 7.
- Inventories.** Total petroleum inventories (crude oil and refined products) of 1.23 billion barrels increased by 0.5% w/w. Meanwhile, crude oil inventories (excluding the Strategic Petroleum Reserve) increased by 6.0 million barrels (mmbbl) to 432.0 mmbbl for the week per API. Yet, U.S. SPR crude oil inventories fell by 8.4 mmbbl w/w to 434.1 mmbbl for the week ending Sept 9. Natural gas storage increased to 2.69 trillion cubic feet, a net increase of 54 billion cubic (bcf) from the previous week but remained 349 bcf below the five-year average and 222 bcf lower than last year at this time.

Charts based on the latest weekly data and API Monthly Statistical Report (MSR)





## Prices as of September 13, 2022

	Brent crude oil (\$ per barrel)	WTI crude oil (\$ per barrel)	Brent-WTI price differential (\$ per barrel)	Henry Hub (\$ per mmBtu)	U.S. oil-to-gas price ratio
<b>Spot</b>	<b>92.94</b>	<b>87.31</b>	<b>5.63</b>	<b>8.38</b>	<b>10x</b>
<b>3-month futures</b>	<b>90.88</b>	<b>86.25</b>	<b>4.63</b>	<b>8.48</b>	<b>10x</b>
<b>12-month futures</b>	<b>84.06</b>	<b>80.13</b>	<b>3.93</b>	<b>5.53</b>	<b>14x</b>

Monitoring distillate fuel oil inventories by type and region:

Inventory level as of:	September 9, 2022	5-year average	Current level / 5-yr avg (%)
<b>Total distillate fuel oil</b>	116,020	146,508	79%
East Coast (PADD 1)	28,068	48,992	57%
New England (PADD 1A)	3,402	8,776	39%
Central Atlantic (PADD 1B)	13,196	27,836	47%
Lower Atlantic (PADD 1C)	11,470	12,380	93%
Midwest (PADD 2)	27,541	34,308	80%
Gulf Coast (PADD 3)	44,183	46,546	95%
Rocky Mountain (PADD 4)	3,591	3,984	90%
West Coast (PADD 5)	12,637	12,678	100%
<b>Ultra-low sulfur diesel (15 ppm sulfur and under)</b>	105,986	132,090	80%
East Coast (PADD 1)	25,811	43,403	59%
New England (PADD 1A)	3,378	7,351	46%
Central Atlantic (PADD 1B)	11,969	24,907	48%
Lower Atlantic (PADD 1C)	10,464	11,144	94%
Midwest (PADD 2)	27,115	33,472	81%
Gulf Coast (PADD 3)	37,871	39,712	95%
Rocky Mountain (PADD 4)	3,421	3,757	91%
West Coast (PADD 5)	11,767	11,747	100%
<b>Heating oil (&gt; 15 ppm to 500 ppm sulfur)</b>	2,579	4,814	54%
East Coast (PADD 1)	643	2,341	27%
New England (PADD 1A)	22	991	2%
Central Atlantic (PADD 1B)	172	811	21%
Lower Atlantic (PADD 1C)	448	539	83%
Midwest (PADD 2)	206	379	54%
Gulf Coast (PADD 3)	1,285	1,709	75%
Rocky Mountain (PADD 4)	142	147	97%
West Coast (PADD 5)	303	238	127%