Executive Summary
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended May 13, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

U.S. oil demand and production rose; inventories decreased; net exports continued; and prices increased

- **Prices.** Crude oil spot prices as of May 17 were $112.40 per barrel for West Texas Intermediate (WTI) crude oil and $8.27 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 14:1 U.S. oil-to-gas price ratio. WTI crude oil and natural gas spot prices decreased by 12.7% week-on-week (w/w) and 18.4% w/w, respectively.

- **Demand.** U.S. total petroleum deliveries per EIA were 19.7 million barrels per day (mb/d), which was an increase of 2.2% (0.4 mb/d) w/w and 12.5% (2.2 mb/d) year-on-year (y/y). The weekly decrease was mostly led by motor gasoline (0.3 mb/d) and jet fuel (0.2 mb/d).
  - High-frequency oil demand indicators, such as FlightRadar24 flight tracking and DAT freight monitoring showed increased weekly flight activity and freight spot truck posts, respectively.
  - Refinery gross inputs of 16.4 mb/d grew by 2.0% w/w and implied a capacity utilization rate of 91.4% per API. Natural gas demand of 65.0 billion cubic feet per day (bcf/d), fell by 3.3% w/w from 67.2 bcf/d (downward revision of 0.5 bcf/d to the prior week’s demand) and by 1.9% y/y for the week ended May 11 (latest). The weekly decrease was led by residential/commercial consumption (2.7 bcf/d) and industrial consumption (0.4 bcf/d).

- **Supply.** As of May 13, U.S. production of crude oil returned to 11.9 mb/d fell (up by 0.1 mb/d w/w), while natural gas liquids of 5.5 mb/d remained unchanged. Natural gas marketed production rose by 1.1 bcf/d w/w to 107.3 bcf/d and was up by 1.9 bcf/d y/y as of May 11 per EIA.
  - Baker Hughes reported 563 U.S. oil-directed rigs running as of May 13, up by six rigs for the week and up by 211 rigs y/y. Gas-directed rigs at 149 were up by three rigs for the week and up by 49 rigs y/y.

- **International trade.** For the week ended May 13, the U.S. remained a petroleum net exporter of 1.0 mb/d, an increase of 0.3 mb/d w/w. As petroleum products’ trade remained steady w/w with 4.0 mb/d of net exports, the weekly change in total net exports was driven by a 0.6 mb/d increase in crude oil net imports. U.S. natural gas exports (LNG: 12.2 bcf/d; pipeline to Mexico: 5.8 bcf/d) rose by 0.3 bcf/d for the week ended May 11.

- **Inventories.** Total petroleum inventories (crude oil and refined products) of 1.153 billion barrels decreased by 0.3% w/w. Crude oil inventories (excluding the Strategic Petroleum Reserve) decreased by 2.4 million barrels (mmbbl) to 416.8 mmbbl for the week per API. Natural gas storage increased to 1.643 trillion cubic feet, which was 312 billion cubic (bcf) lower than the five-year average and 376 bcf lower than last year at this time.

Charts based on the latest weekly data and API Monthly Statistical Report (MSR)
Prices as of May 17, 2022

<table>
<thead>
<tr>
<th></th>
<th>Brent crude oil ($ per barrel)</th>
<th>WTI crude oil ($ per barrel)</th>
<th>Brent-WTI price differential ($ per barrel)</th>
<th>Henry Hub ($ per mmBtu)</th>
<th>U.S. oil-to-gas price ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spot</td>
<td>114.06</td>
<td>112.40</td>
<td>1.66</td>
<td>8.27</td>
<td>14x</td>
</tr>
<tr>
<td>3-month futures</td>
<td>107.53</td>
<td>106.76</td>
<td>0.77</td>
<td>8.38</td>
<td>13x</td>
</tr>
<tr>
<td>12-month futures</td>
<td>94.19</td>
<td>90.36</td>
<td>3.83</td>
<td>4.74</td>
<td>19x</td>
</tr>
</tbody>
</table>

EIA expects the global oil supply/demand balance to support prices of $103 per barrel in 2022 and $97 per barrel in 2023