

Executive Summary

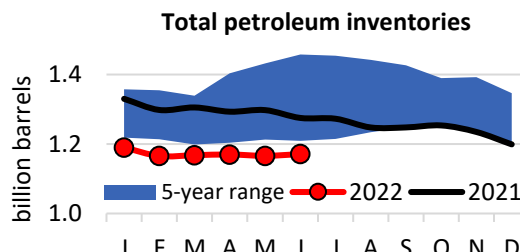
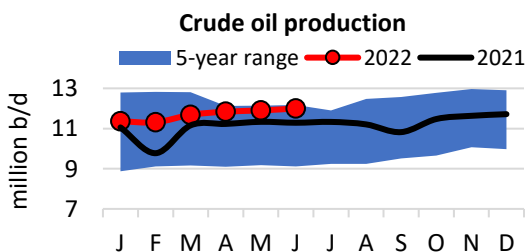
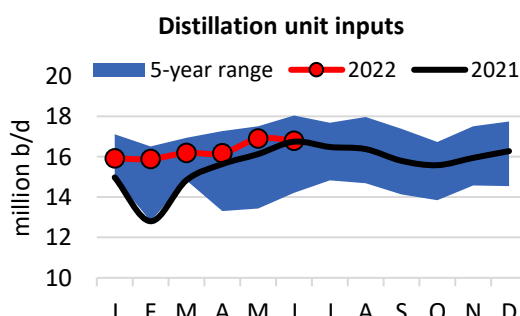
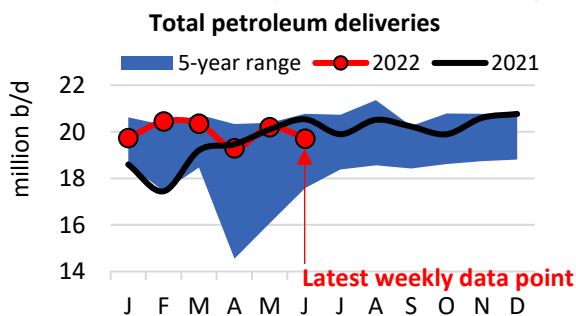
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended June 10, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

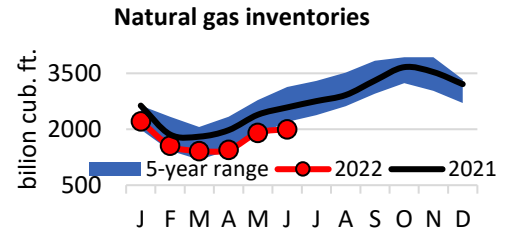
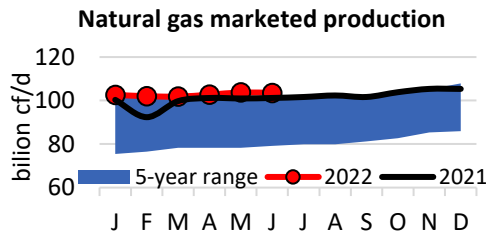
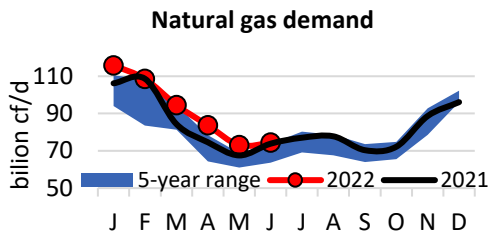
U.S. oil demand decreased; crude oil production and inventories increased; petroleum net exports resumed; and oil prices slipped

- Prices.** Crude oil spot prices as of June 14 were \$118.93 per barrel for West Texas Intermediate (WTI) crude oil and \$7.59 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 16:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices decreased by 0.4% week-on-week (w/w), and natural gas spot prices decreased by 18.2% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were 19.7 million barrels per day (mb/d), which was a decrease of 2.6% (0.5 mb/d) w/w but an increase of 11.2% (1.2 mb/d) year-on-year (y/y). The weekly change was driven by a decrease in other oils (0.3 mb/d w/w) and motor gasoline (0.1 mb/d w/w).
 - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking and [DAT](#) freight monitoring showed increased weekly freight spot truck and load posts and flight activity.
 - Refinery gross inputs of 16.8 mb/d decreased by 1.0% w/w. This implied a capacity utilization rate of 93.4% per API. Crude inputs into refineries year-to-date increased over 0.7 mb/d.

Natural gas demand of 62.5 billion cubic feet per day (bcf/d) increased by 1.8% w/w from 61.4 bcf/d (upward revision of 0.2 bcf/d to the prior week's demand) but was down by 2.0% y/y for the week ended June 8 (latest). The weekly increase was led by power consumption (2.1 bcf/d), which offset a fall in residential/ commercial consumption (1.0 bcf/d).
- Supply.** As of June 3, U.S. production of crude oil of 12.0 mb/d increased 0.1 mb/d w/w, and natural gas liquids of 5.9 mb/d remained unchanged. Natural gas marketed production fell by 0.6 bcf/d w/w to 107.5 bcf/d (upward revision of 0.4 bcf/d to the prior week's output) but was up by 2.3 bcf/d y/y as of June 8 per EIA.
 - Baker Hughes reported 580 U.S. oil-directed rigs running as of June 10 - up by 6 rigs for the week and 215 rigs y/y. Gas-directed rigs at 151 remained unchanged for the week but were up by 55 rigs y/y.
- International trade.** For the week ended June 10, the U.S. returned to being a petroleum net exporter of 1.3 mb/d. The largest changes for the week included a 1.5 mb/d increase in U.S. crude oil exports coupled with a 1.1 mb/d decrease in petroleum product imports. These are partially offset, however, by 0.8 mb/d higher crude oil imports and 0.2 mb/d higher refined product exports. U.S. natural gas exports (LNG: 12.5 bcf/d; pipeline to Mexico: 5.6 bcf/d) fell by 0.4 bcf/d for the week ended June 8.
- Inventories.** Total petroleum inventories (crude oil and refined products) of 1.171 billion barrels increased by 0.4% w/w. Crude oil inventories (excluding the Strategic Petroleum Reserve) increased by 0.7 million barrels (mmbbl) to 418.7 mmbbl for the week per API. Natural gas storage increased to 1.999 trillion cubic feet, which was an increase of 97 billion cubic (bcf) from the previous week, remained 340 bcf below the five-year average and 398 bcf less than last year at this time.

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





Prices as of June 14, 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
Spot	124.96	118.93	6.03	7.59	16x
3-month futures	114.79	113.48	1.31	7.16	16x
12-month futures	101.10	97.45	3.65	5.60	17x

