Executive Summary

This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended June 24, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

**U.S. oil demand and crude oil production increased; petroleum net exports contracted; and oil prices rose**

- **Prices.** Crude oil spot prices as of June 28 were $111.76 per barrel for West Texas Intermediate (WTI) crude oil and $6.55 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 17:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices increased by 1.0% week-on-week (w/w), and natural gas spot prices decreased by 0.9% w/w.
- **Demand.** U.S. total petroleum deliveries per EIA were 19.9 million barrels per day (mb/d), which was an increase of 0.5% (0.09 mb/d) w/w and an increase of 3.6% (0.8 mb/d) year-on-year (y/y). The weekly change was driven by an increase in motor gasoline (0.4 mb/d w/w) and residual oil (0.2 mb/d w/w).
  - High-frequency oil demand indicators, such as FlightRadar24 flight tracking and DAT freight monitoring showed increased weekly flight activity and freight spot truck and load posts.
  - Refinery gross inputs of 16.9 mb/d, at record level not seen since September 2019, increased by 0.9% w/w. This implied a capacity utilization rate of 94.4% per API.
- **Supply.** As of June 24, U.S. production of crude oil of 12.1 mb/d increased 0.1 mb/d w/w, and natural gas liquids of 5.9 mb/d remained unchanged. Natural gas marketed production was also unchanged for the week at 107.6 bcf/d but was up by 2.8 bcf/d y/y as of June 22 per EIA.
  - Baker Hughes reported 594 U.S. oil-directed rigs running as of June 24 - up by 10 rigs for the week and 222 rigs y/y. Gas-directed rigs at 157 increased by 3 rigs for the week and were up by 59 rigs y/y.
- **International trade.** For the week ended June 24, the U.S. was a petroleum net exporter of 1.1 mb/d. Net exports of petroleum products fell 0.4 mb/d w/w because of increases in product imports that offset changes in product exports. Net imports of crude oil were largely unchanged - weekly changes in imports and exports were offsetting. U.S. natural gas exports (LNG: 10.7 bcf/d; pipeline to Mexico: 5.8 bcf/d) fell by 0.3 bcf/d for the week ended June 22. A fire at the Freeport LNG liquefaction plant in South Texas has led to the full shutdown of the facility that accounts for roughly 2.0 bcf/d or 17% of the total U.S. LNG export capacity.
- **Inventories.** Total petroleum inventories (crude oil and refined products) of 1.18 billion barrels increased by 0.5% w/w. Crude oil inventories (excluding the Strategic Petroleum Reserve) decreased by 3.8 million barrels (mmbbl) to 420.5 mmbbl for the week per API. Natural gas storage increased to 2.169 trillion cubic feet, which was an increase of 74 billion cubic (bcf) from the previous week, remained 331 bcf below the five-year average and 305 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 22, 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>119.12</td>
<td>111.76</td>
<td>7.36</td>
<td>6.55</td>
<td>17x</td>
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<tr>
<td>3-month futures</td>
<td>110.78</td>
<td>105.99</td>
<td>4.79</td>
<td>6.56</td>
<td>16x</td>
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<tr>
<td>12-month futures</td>
<td>97.13</td>
<td>91.84</td>
<td>5.29</td>
<td>4.65</td>
<td>20x</td>
</tr>
</tbody>
</table>

**EIA expects the global oil supply/demand balance to support prices of $107 per barrel in 2022 and $97 per barrel in 2023**