**Executive Summary**

This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended July 22, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

### U.S. oil demand & production rose; inventories fell; petroleum net exports accelerated; yet, prices fell

- **Prices.** Crude oil spot prices as of July 26 were $94.98 per barrel for West Texas Intermediate (WTI) crude oil and $9.46 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 decreased by 8.9% week-on-week (w/w), and natural gas spot prices increased by 28.7% w/w.
- **Demand.** U.S. total petroleum deliveries per EIA were 20.0 million barrels per day (mb/d), which was a decrease of 5.0% (1.0 mb/d) w/w and 2.9% (0.6 mb/d) year-on-year (y/y). The weekly change was driven by decreases in other oils (2.0 mb/d w/w), partially offset by gains in motor gasoline (0.7 mb/d w/w) and jet fuel (0.1 mb/d w/w).
  - High-frequency oil demand indicators, such as FlightRadar24 flight tracking and DAT freight monitoring reflected an increase in weekly freight spot truck posts but a decrease in flight activity. Refinery gross inputs of 16.6 mb/d decreased by 1.6% w/w, but were up by 0.7% or 0.1 mb/d y/y. This implied a capacity utilization rate of 92.3% per API. Natural gas demand of 74.0 billion cubic feet per day (bcf/d) rose by 2.9% w/w from 71.9 bcf/d (an upward revision of 0.1 bcf/d to the prior week) and was up by 6.9% y/y for the week ended July 20 (latest) per EIA. The weekly increase was led by power consumption (up by 1.7 bcf/d w/w to 43.4 bcf/d).
- **Supply.** As of July 22, U.S. crude oil production rose by 0.2 mb/d w/w to 12.1 mb/d, reversing a two-week decline, while production of natural gas liquids remained steady near 5.9 mb/d. Natural gas marketed production of 108.7 bcf/d increased by 0.6 bcf/d w/w and was up by 2.8 bcf/d y/y as of July 20 per EIA.
  - Baker Hughes reported 599 U.S. oil-directed rigs running as of July 22 - zero rigs added for the week but up by 212 rigs y/y. Gas-directed rigs were at 155, up by 2 rigs for the week and 49 rigs y/y.
- **International trade.** For the week ended July 22, the U.S. was a net exporter of crude oil and petroleum products by 2.6 mb/d. Net exports increased by 2.0 mb/d w/w, mainly due to higher exports of crude oil exports (up 0.8 mb/d w/w) and refined petroleum products (up 0.7 mb/d w/w). This combined with lower imports of crude oil and petroleum products resulted to produce the second highest weekly net exports on record since 1947. U.S. natural gas exports (LNG: 10.9 bcf/d; pipeline to Mexico: 6.0 bcf/d) fell 0.1 bcf/d for the week ended July 20.
- **Inventories.** Total petroleum inventories (crude oil and refined products) of 1.21 billion barrels decreased by 0.3% w/w. Meanwhile, crude oil inventories (excluding the Strategic Petroleum Reserve) fell by 4.0 million barrels (mmbbl) to 425.3 mmbbl for the week per API. Natural gas storage increased to 2,401 trillion cubic feet, a net increase of 32 billion cubic (bcf) from the previous week, remained 328 bcf below the five-year average and 270 bcf lower than last year at this time.

Charts based on the latest weekly data and API Monthly Statistical Report (MSR)
Prices as of July 26, 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><strong>Spot</strong></td>
<td>103.41</td>
<td>94.98</td>
<td>8.43</td>
<td>9.46</td>
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<td><strong>3-month futures</strong></td>
<td>97.14</td>
<td>91.32</td>
<td>5.82</td>
<td>8.79</td>
<td>10x</td>
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<tr>
<td><strong>12-month futures</strong></td>
<td>88.53</td>
<td>82.87</td>
<td>5.66</td>
<td>5.13</td>
<td>16x</td>
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