

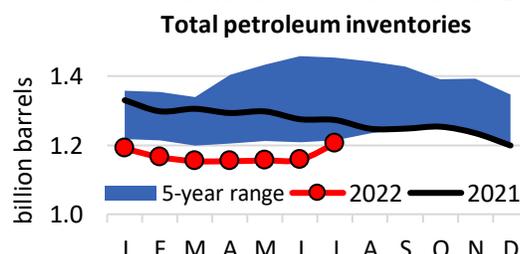
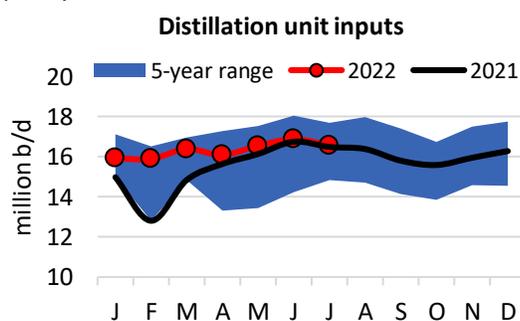
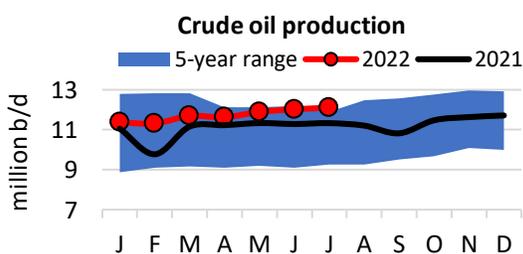
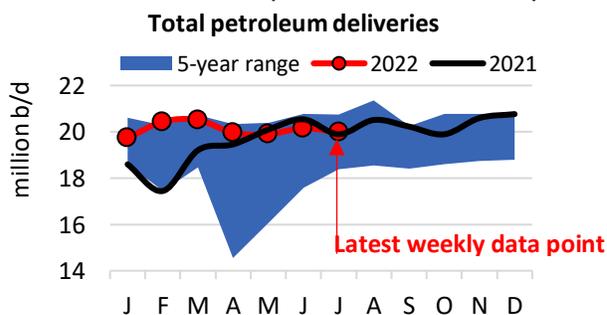
Executive Summary

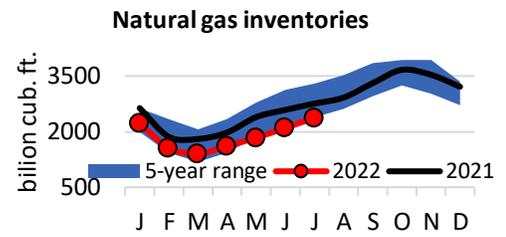
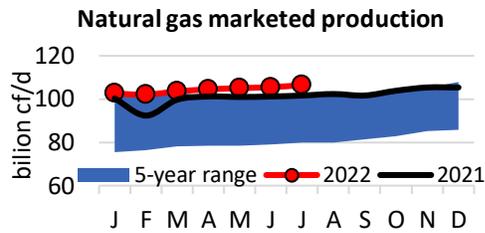
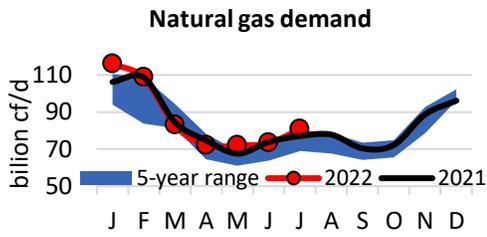
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended July 29, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

U.S. oil demand fell; production held steady; inventories rose; petroleum net exports contracted; and oil prices were little-changed

- Prices.** Crude oil spot prices as of Aug. 2 were \$94.42 per barrel for West Texas Intermediate (WTI) crude oil and \$8.10 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 12:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices decreased by 0.6% week-on-week (w/w), and natural gas spot prices fell by 14.4% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were approximately 20.0 million barrels per day (mb/d), which was a decrease of 0.1% (0.03 mb/d) w/w and 5.6% (1.2 mb/d) year-on-year (y/y). The weekly change was driven by decreases in motor gasoline (0.7 mb/d w/w) and jet fuel (0.3 mb/d w/w), fully offsetting gains in distillate fuel (0.1 mb/d w/w), residual fuel (0.3 mb/d w/w), and other oils (0.6 mb/d w/w).
 - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking and [DAT](#) freight monitoring reflected decreases in weekly freight spot truck posts and in flight activity.
 Refinery gross inputs of 16.4 mb/d decreased by 1.2% w/w and were down by 1.5% or 0.2 mb/d y/y. This implied a capacity utilization rate of 91.2%, the lowest seen for any week since May 6, 2022, per API. Natural gas demand of 74.1 billion cubic feet per day (bcf/d) rose by 0.1% w/w from 74.0 bcf/d and was up by 5.3% y/y for the week ended July 27 (latest) per EIA. The weekly increase was led by residential/commercial consumption (up by 0.2 bcf/d w/w to 9.8 bcf/d).
- Supply.** As of July 22, U.S. crude oil production was steady at 12.1 mb/d, while production of natural gas liquids remained unchanged near 5.9 mb/d. Natural gas marketed production of 108.9 bcf/d increased by 0.2 bcf/d w/w and was up by 3.1 bcf/d y/y as of July 27 per EIA.
 - Baker Hughes reported 605 U.S. oil-directed rigs running as of July 29 – adding six rigs for the week and up by 220 rigs y/y. Gas-directed rigs were at 157, up by 2 rigs for the week and 54 rigs y/y.
- International trade.** For the week ended July 29, the U.S. was a net exporter of 0.5 mb/d of crude oil and petroleum products. This fell from net exports of 2.6 mb/d in the prior week, mainly due to a combination of higher crude oil imports (up 1.2 mb/d w/w) and lower crude oil exports (1.0 mb/d w/w). U.S. natural gas exports (LNG: 10.8 bcf/d; pipeline to Mexico: 5.8 bcf/d) fell 0.5 bcf/d for the week ended July 27.
- Inventories.** Total petroleum inventories (crude oil and refined products) of 1.21 billion barrels increased by 0.3% w/w. Meanwhile, crude oil inventories (excluding the Strategic Petroleum Reserve) grew by 2.2 million barrels (mmbbl) to 427.5 mmbbl for the week per API. Natural gas storage increased to 2.42 trillion cubic feet, a net increase of 15 billion cubic (bcf) from the previous week, remained 345 bcf below the five-year average and 293 bcf lower than last year at this time.

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





Prices as of August 2, 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	103.47	94.42	9.05	8.10	12X
3-month futures	97.06	92.04	5.02	7.73	12x
12-month futures	90.28	84.91	5.37	4.74	18x