

## Executive Summary

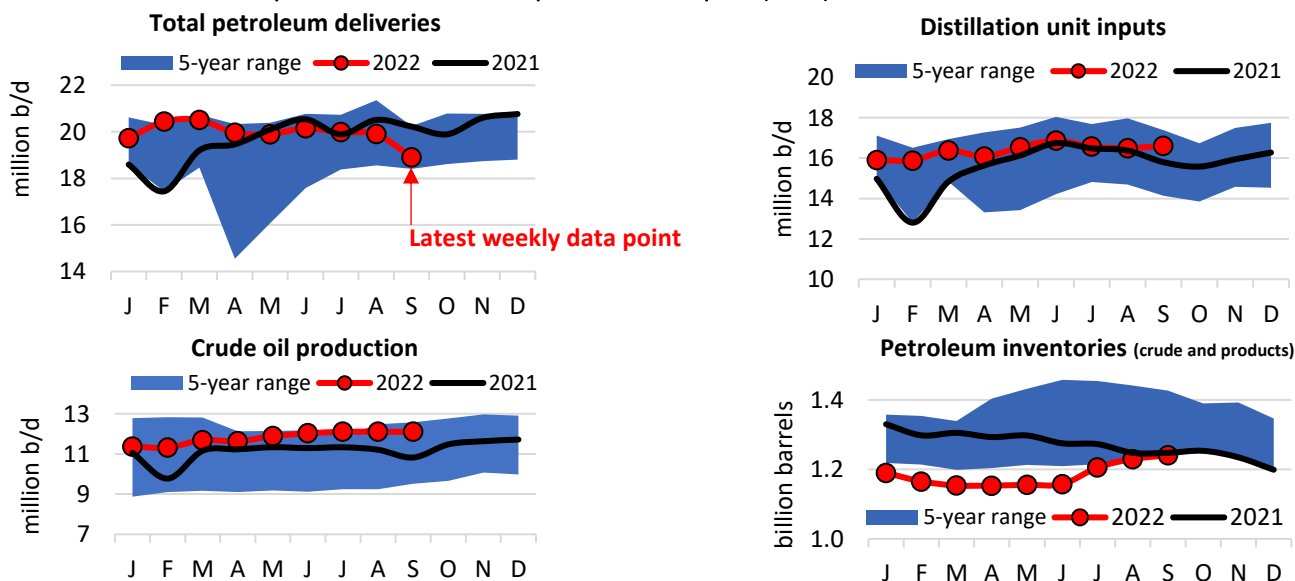
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended September 16, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

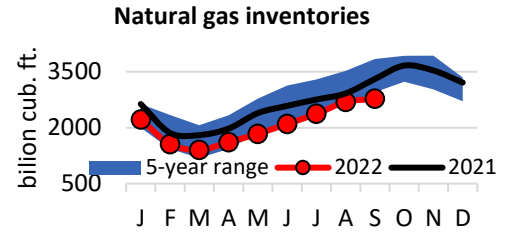
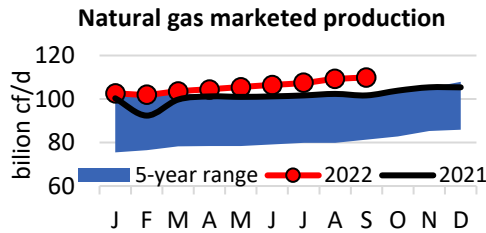
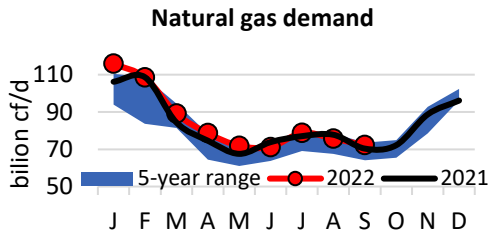
### U.S. oil demand and net exports decreased; production was flat; combined commercial and SPR petroleum inventories fell; and prices fell

- Prices.** Crude oil spot prices as of Sept. 20 were \$84.45 per barrel for West Texas Intermediate (WTI) crude oil and \$7.93 per million Btu (mmBtu) for natural gas at Henry Hub, resulting in a 11:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices fell by 3.3% week-on-week (w/w), while natural gas spot prices decreased by 5.3% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were approximately 18.9 million barrels per day (mb/d), which reflected decreases of 1.9% (0.4 mb/d) w/w and 4.9% (1.0 mb/d) year-on-year (y/y). The weekly change was driven by decreases in jet fuel (0.2 mb/d w/w) and motor gasoline (0.2 mb/d w/w).
  - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking and [DAT](#) freight monitoring showed increases in weekly flight activity and freight spot truck posts.

Refinery gross inputs of 16.6 mb/d increased by 1.5% w/w and also were up by 9.5% y/y. This implied a capacity utilization rate of 92.7% for week ending Sept. 16 – highest for the period since 2018, per API. Natural gas demand of 67.4 billion cubic feet per day (bcf/d) decreased by 3.9% w/w but was up by 5.5% y/y for the week ended September 14 (latest) per EIA. The weekly decrease was led by power consumption (down by 3.3 bcf/d w/w).
- Supply.** As of September 16, U.S. production of crude oil and natural gas liquids remained unchanged at 12.1 mb/d and 6.0 mb/d, respectively. Natural gas marketed production of 111.0 bcf/d fell by 0.4 bcf/d w/w and also was down by 5.3 bcf/d y/y as of September 14 per EIA.
  - Baker Hughes reported 599 U.S. oil-directed rigs running as of September 16 – up by 8 rigs for the week and up by 188 rigs y/y. Gas-directed rigs were at 162, down by 4 rigs for the week and up by 62 rigs y/y.
- International trade.** For the week ended September 16, the U.S. was a net exporter of 1.2 mb/d of crude oil and petroleum products, which was a decrease of 1.2 mb/d w/w, primarily due to higher crude oil imports (up 1.2 mb/d w/w). U.S. natural gas exports (LNG: 11.2 bcf/d; pipeline to Mexico: 5.6 bcf/d) increased by 0.2 bcf/d for the week ended September 14.
- Inventories.** Petroleum inventories (crude oil and refined products) of 1.24 billion barrels increased by 0.8% w/w. Meanwhile, crude oil inventories (excluding the Strategic Petroleum Reserve) increased by 1.0 million barrels (mmbbl) to 430.0 mmbbl for the week per API. Yet, U.S. SPR crude oil inventories fell by 6.9 mmbbl w/w to 427.1 mmbbl for the week ending Sept 16. Natural gas storage increased to 2.77 trillion cubic feet, a net increase of 77 billion cubic (bcf) from the previous week but remained 354 bcf below the five-year average and 223 bcf lower than last year at this time.

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





## Prices as of September 20, 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
<b>Spot</b>	<b>90.20</b>	<b>84.45</b>	<b>5.57</b>	<b>7.93</b>	<b>11x</b>
<b>3-month futures</b>	<b>87.85</b>	<b>83.28</b>	<b>4.57</b>	<b>7.93</b>	<b>11x</b>
<b>12-month futures</b>	<b>80.22</b>	<b>75.86</b>	<b>4.36</b>	<b>5.30</b>	<b>14x</b>

Monitoring distillate fuel oil inventories by type and region:

Inventory level as of:	September 16, 2022	5-year average	Current level / 5-yr avg (%)
<b>Total distillate fuel oil</b>	117,250	143,142	82%
East Coast (PADD 1)	27,917	47,373	59%
New England (PADD 1A)	3,741	8,617	43%
Central Atlantic (PADD 1B)	12,489	26,996	46%
Lower Atlantic (PADD 1C)	11,687	11,760	99%
Midwest (PADD 2)	28,113	33,045	85%
Gulf Coast (PADD 3)	45,364	46,178	98%
Rocky Mountain (PADD 4)	3,675	3,830	96%
West Coast (PADD 5)	12,181	12,717	96%
<b>Ultra-low sulfur diesel (15 ppm sulfur and under)</b>	106,565	128,882	83%
East Coast (PADD 1)	25,493	41,900	61%
New England (PADD 1A)	3,723	7,230	51%
Central Atlantic (PADD 1B)	10,966	24,130	45%
Lower Atlantic (PADD 1C)	10,804	10,539	103%
Midwest (PADD 2)	27,637	32,164	86%
Gulf Coast (PADD 3)	38,552	39,525	98%
Rocky Mountain (PADD 4)	3,482	3,612	96%
West Coast (PADD 5)	11,402	11,681	98%
<b>Heating oil (&gt; 15 ppm to 500 ppm sulfur)</b>	2,783	4,569	61%
East Coast (PADD 1)	657	2,160	30%
New England (PADD 1A)	18	930	2%
Central Atlantic (PADD 1B)	191	713	27%
Lower Atlantic (PADD 1C)	448	517	87%
Midwest (PADD 2)	203	441	46%
Gulf Coast (PADD 3)	1,555	1,550	100%
Rocky Mountain (PADD 4)	131	142	92%
West Coast (PADD 5)	238	276	86%