

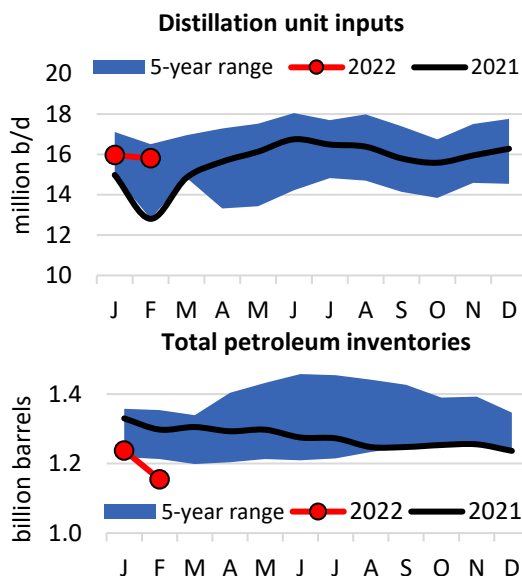
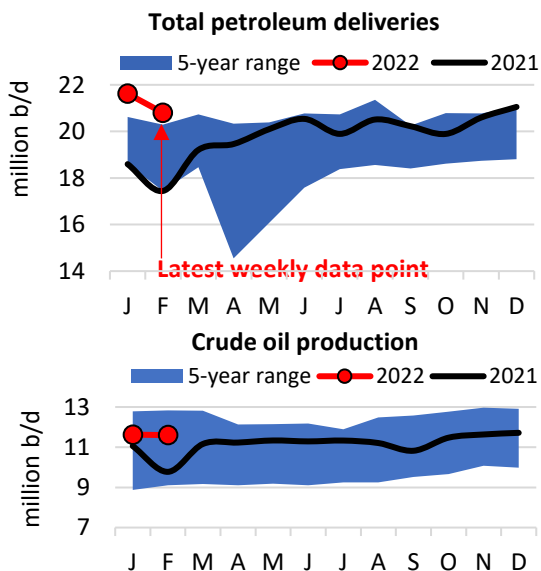
Executive Summary

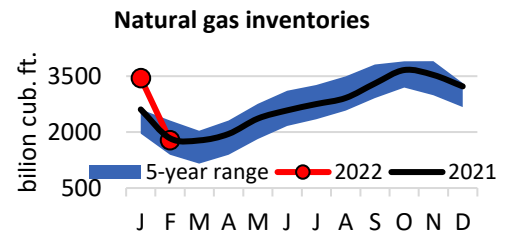
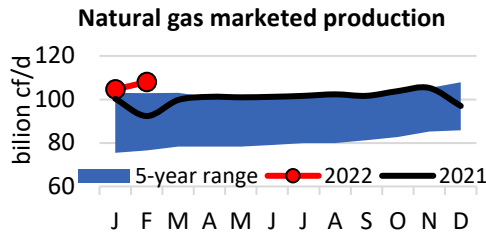
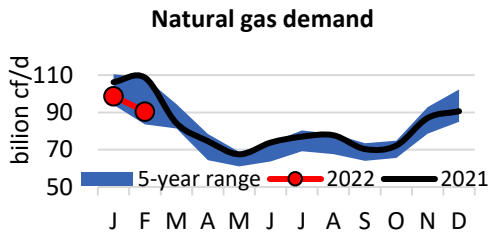
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended February 25, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

U.S. oil demand decreased; production remained flat; crude oil imports and inventories fell; and prices increased

- Prices.** Crude oil spot prices as of Mar. 1 were \$103.41 per barrel for West Texas Intermediate (WTI) crude oil and \$4.34 per million Btu (mmBtu) for natural gas at Henry Hub, implying a 24:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices rose by 12.0% week-on-week (w/w), while natural gas decreased by 3.1% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were 20.8 million barrels per day (mb/d), which was a decrease of 3.0% (0.7 mb/d) w/w but an increase of 11.5% (2.1 mb/d) year-on-year (y/y). The weekly decrease was led by other oils (0.9 mb/d), partially offset by higher distillates (0.2 mb/d) and motor gasoline (0.1 mb/d).
 - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking, [DAT](#) freight tracking, and [Apple's](#) mobility index showed increased weekly passenger vehicle mobility and freight spot load posts but decreased flight activity.
 - Refinery gross inputs of 15.8 mb/d rose by 0.7% w/w and implied a capacity utilization rate of 87.4% per API. Natural gas demand of 90.5 billion cubic feet per day (bcf/d), decreased by 1.5% w/w from 91.9 bcf/d and by 13.7% y/y for the week ended Feb. 23 (latest). The weekly decrease was driven by seasonally lower residential/commercial consumption, partially offset by higher power sector natural gas utilization.
- Supply.** As of Feb. 25, U.S. production of crude oil and natural gas liquids remained unchanged at 11.6 mb/d and 5.8 mb/d, respectively, for a third straight week. Natural gas marketed production as of Feb. 23 fell by 0.5 bcf/d w/w to 107.5 bcf/d but was up by 27.5 bcf/d y/y with the winter storms in 2021 per EIA.
 - Baker Hughes reported 522 U.S. oil-directed rigs running as of Feb. 25, up by 2 rigs for the week and 213 rigs y/y. Gas-directed rigs increased by 3 rigs to 127 for the week and were up by 35 rigs y/y.
- International trade.** For the first time in 2022, the U.S. was a petroleum net exporter for the week by 0.9 mb/d, driven by a 2.2 mb/d w/w drop in crude oil net imports. This was consistent with the sudden rise in global oil prices, as indicated by the Brent-WTI price differential nearly doubling w/w to \$7.56 per barrel. Weekly U.S. refined product trade was largely unchanged. U.S. natural gas exports (LNG: 11.9 bcf/d; pipeline to Mexico: 5.5 bcf/d) fell by 0.9 bcf/d for the week ended Feb. 23.
- Inventories.** Total petroleum inventories (crude oil and refined products) of 1.155 billion barrels fell by 0.3% w/w. Crude oil inventories (ex-Strategic Petroleum Reserve) fell by 6.1 million barrels (mmbbl) to 411.1 mmbbl for the week per API. Natural gas storage decreased to 1.782 trillion cubic feet, which was 214 billion cubic (bcf) lower than the five-year average and 209 bcf lower than last year at this time.

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





Prices as of March 1, 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	110.97	103.41	7.56	4.34	24x
3-month futures	97.97	96.24	1.73	4.64	21x
12-month futures	85.58	80.93	4.65	4.41	18x

