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**Inventory Snapshot**

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	+2.37	+8.43	+4.20	-6.9%	-1.7%
Distillates	-1.78	-0.52	-0.51	-0.8%	-7.5%
Gasoline	-1.32	-3.27	-2.83	+2.1%	-0.8%
Propane	-2.10	-	-3.43	-15.5%	+3.1%
Cushing, OK	-	-	+1.46	-23.9%	-21.2%
Ref. Util.	+0.70	-	+0.90	-5.0%	+0.9%

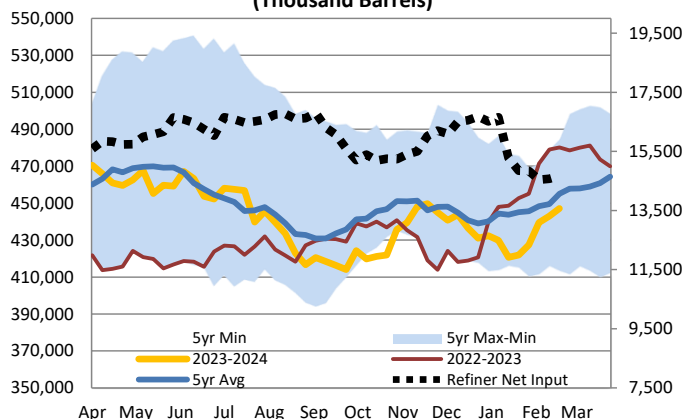
**Crude Oil**

	2/23/2024	w/w	y/y
Stocks (mb)	447.16	+4.20	-33.04
Cushing, OK	30.97	+1.46	-9.75
Days Supply (days)	30.47	+0.08	-1.59
Production (mb/d)	13.30	0.00	+1.00
Imports (exc. SPR, mb/d)	6.39	-0.27	+0.18
Refinery Runs (mb/d)	14.67	+0.10	-0.31
Refinery Utilization (%)	81.50	+0.90	-4.30
Exports	4.73	-0.24	-0.90

**EIA stock data released this morning were bearish for crude oil and unsupportive for distillates**, but bullish for both gasoline and propane. The agency reported a larger than predicted build in crude stocks and a smaller than predicted draw from distillate stockpiles, but larger than predicted declines in both gasoline and propane/propylene inventory levels. Following release of the report, petroleum futures turned lower. As of this writing, WTI futures were flat while ULSD and RBOB futures had posted losses, meaning crack spreads were narrowing.

**Commercial crude stocks saw a seasonal, but larger than predicted jump of 4.20mb last week.** This left them at 447.16mb, which is 6.9% lower than last year's strong levels but just 1.7% below the five-year average for the reporting week. Stock levels at the Cushing, OK storage hub, which is the delivery point for the NYMEX WTI futures contract, rose by 1.46mb to 30.97mb this latest week. That is still a sharp 23.9% lower than last year and 21.2% weaker than normal. The Brent-WTI spread, often positively correlated with Cushing inventories as they represent a glut here in the US, has been trending lower since mid-January, falling from \$5.77/bbl back then to about \$4.90/bbl this morning. Likely helping to hinder stock builds, backwardation in the NYMEX WTI futures forward curve has been increasing this month. The spread between the front month and the 12th month out on the curve has widened from a low of \$2.69/bbl on the 5th to \$6.39/bbl as of this writing.

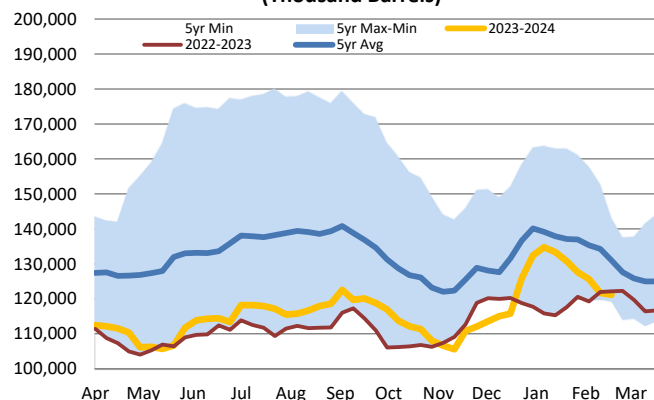
Imports slowed by 0.27mb/d last week, averaging 6.39mb/d, but net imports were little changed as exports fell by 0.24mb/d to an average of 4.73mb/d. Exports ran 0.90mb/d lower than last year, whereas imports were up by 0.18mb/d year-on-year. Refinery utilization rates saw a seasonal increase of 0.90 percentage points, and runs rose by 0.10mb/d to an average of 14.67mb/d. This is still 0.31mb/d lower than last year, but above the five-year average for the week at 14.39mb/d. Refining activity tends to rise seasonally from here through early August, as maintenance operations wrap and production increases to meet summer gasoline demand. Inventories tend to rise through May, however.

**U.S. Crude Inventories Excluding SPR  
(Thousand Barrels)****Distillates**

	2/23/2024	w/w	y/y
Stocks (mb)	121.14	-0.51	-0.97
East Coast	32.36	-0.26	-3.91
New England	5.09	+0.27	+0.62
Mid-Atlantic	16.86	-0.67	-2.55
Production (mb/d)	4.29	+0.12	-0.32
Imports (mb/d)	0.11	-0.13	-0.09
Product Supplied (mb/d)	3.54	-0.40	-0.30
Exports (mb/d)	0.94	-0.11	-0.01

**Ultra-Low Sulfur Diesel**

	2/23/2024	w/w	y/y
Stocks (mb)	111.38	-0.25	-0.91
East Coast	30.55	-0.21	-3.97
Production (mb/d)	4.18	+0.11	-0.17
Imports (mb/d)	0.11	-0.13	-0.09
Product Supplied (mb/d)	4.33	-0.52	-0.24

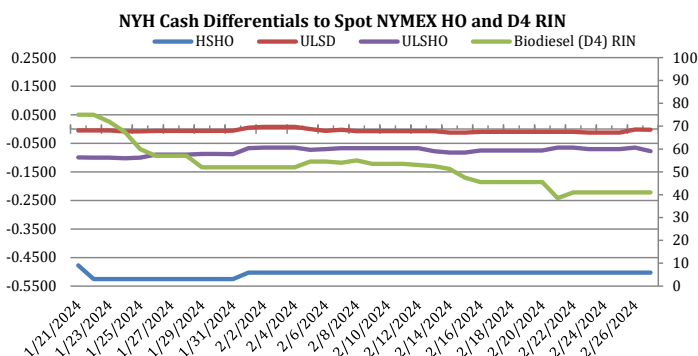
**U.S. Distillate Stocks  
(Thousand Barrels)**

**Gasoline**

	2/23/2024	w/w	y/y
Stocks (mb)	244.21	-2.83	+5.01
East Coast	63.60	-0.77	+1.07
Production (mb/d)	9.42	+0.39	-0.31
Imports (exc. SPR, mb/d)	0.38	-0.35	-0.29
Product Supplied (mb/d)	8.47	+0.27	-0.65
Exports (mb/d)	0.75	-0.16	+0.10

**Propane**

	2/23/2024	w/w	y/y
Stocks (mb)	51.18	-3.43	-9.41
East Coast	4.33	-0.62	-0.93
Production (mb/d)	2.48	+0.01	+0.10
Imports (exc. SPR, mb/d)	0.13	-0.02	-0.02
Product Supplied (mb/d)	1.44	+0.41	+0.09
Exports (mb/d)	1.66	-0.25	+0.09

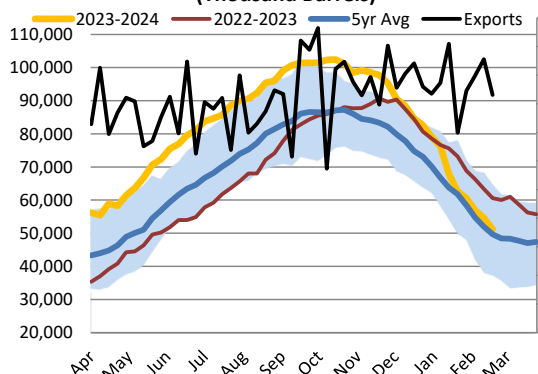


**Distillate inventories saw a seasonal, but smaller than predicted 0.51mb dip last week**, with stronger production, slower exports, and weaker demand helping to limit its size. The largest weekly mover was implied demand, which dropped 0.40mb/d to average 3.54mb/d. This is 0.30mb/d lower than last year's weak levels and a low of at least five years for the reporting week. Imports fell by 0.13mb/d to an average of 0.11mb/d, but exports saw a similar drop of 0.11mb/d to 0.94mb/d, keeping net exports little changed at 0.83mb/d. With increased refining activity, production rose by 0.12mb/d to 4.29mb/d, but this is still 0.32mb/d lower than last year. The WTI-ULSD spread, indicative of diesel refining economics, has weakened from \$59.09/bbl back in August to \$36.46 yesterday, which is now lower than the \$42.75 we saw at this time last year. US inventory levels are about flat to last year's low levels, but are 7.5% weaker than normal for this point in the heating season. East Coast stocks fell by 0.26mb to 32.36mb last week, which is now 10.8% lower than last year and 19.8% below normal. Above-normal temperatures are expected in both the Midwest and Northeast over the next 15 days, according to latest ECMWF models.

**Gasoline stocks saw a larger than predicted but seasonal decline**, helped by stronger implied demand and reduced imports. Demand saw a seasonal rise of 0.27mb/d, averaging 8.47mb/d - but this is a sharp 0.65mb/d lower than last year and well below the five-year average at 8.85mb/d. Imports slowed by 0.35mb/d to average 0.38mb/d, which 0.29mb/d lower than last year. On the other hand, exports fell by 0.16mb/d and production saw a seasonal jump of 0.39mb/d last week. At 244.21mb, gasoline inventories are 2.1% stronger than last year and just 0.9% below normal. East Coast inventories of 63.60mb are 1.7% stronger than last year but 1.6% below the five-year average.

**Propane/propylene stock data released this morning were bullish.** The agency reported a 3.43mb draw that exceeded analyst expectations at 2.10mb (OPIS survey), helped by stronger implied demand. Demand, as measured by product supplied, jumped 0.41mb/d higher to an average of 1.44mb/d this latest reporting week. This is higher than last year's 1.34mb/d and back by the weekly five-year average. The draw could have been larger, had not net exports slowed by 0.23mb/d to an average of 1.54mb/d. Still, this is higher than last year's 1.43mb/d during the same period. Refiner and blender net production rose marginally, to an average of 2.48mb/d (compared to 2.38mb/d last year). Gulf Coast stocks fell by 1.56mb to 30.20mb and are now 3.2% weaker than normal for this time of year. Midwestern inventories fell by 1.01mb to 12.47mb but are now 7.3% higher than normal. The East Coast saw a relatively hefty draw of 0.62mb, falling to a 1.8% deficit to historical levels. US inventories overall remain in solid shape, up 3.1% against their weekly five-year average.

**Total U.S. Propane/Propylene Stocks  
(Thousand Barrels)**



**Total U.S. Gasoline Stocks  
(Thousand Barrels)**

