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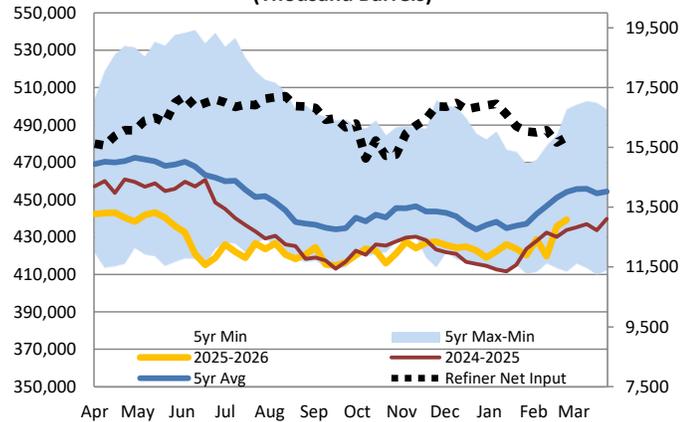
Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	+2.00	+5.60	+3.48	+1.3%	-3.3%
Distillates	-2.57	+0.52	+0.43	+1.4%	-1.0%
Gasoline	-0.93	-3.30	-1.70	+2.5%	+5.4%
Propane	-1.34	-	+0.82	+50.8%	+55.0%
Cushing, OK	-	-	+1.56	+3.0%	-21.4%
Ref. Util.	-0.27	-	+0.60	+3.8%	+7.4%

Crude Oil

	2/27/2026	w/w	y/y
Stocks (mb)	439.28	+3.48	+5.50
Cushing, OK	26.46	+1.56	+0.77
Days Supply (days)	27.73	-0.10	-0.46
Production (mb/d)	13.70	-0.01	+0.19
Imports (exc. SPR, mb/d)	6.32	-0.34	+0.51
Refinery Runs (mb/d)	15.84	+0.18	+0.45
Refinery Utilization (%)	89.20	+0.60	+3.30
Exports	4.00	-0.32	-0.14

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



This week's petroleum inventory report from the EIA was bearish for crude oil, distillates, and propane, but bullish for gasoline. The agency reported a larger than predicted build in crude stocks and surprise increases in distillates and propane/propylene inventories, but a larger-than-predicted draw from gasoline stockpiles. Following the release of the report, WTI and ULSD futures were trading in the red but have since recovered. As of this writing, WTI was up 0.4%, while crack spreads were widening as RBOB and ULSD futures were seeing gains of 2.0% and 2.4%, respectively.

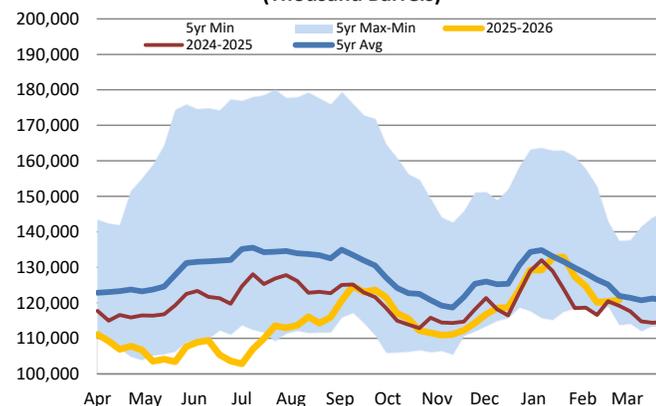
Commercial crude stocks saw a larger than predicted but seasonal rise of 3.48mb, despite an increase in refining activity. The build put US stock levels at 439.28mb, which is 1.3% higher than last year but 3.3% weaker than normal. Inventories tend to rise from sometime in December or January through May, helped by seasonal refinery maintenance and turnarounds. The Cushing, OK storage hub saw a build of 1.56mb, putting inventories at 26.46mb, which is now 3.0% higher than last year but still 21.4% below normal. The NYMEX WTI crude oil futures forward curve, where contracts specify delivery at Cushing, remains backwardated with front-month April futures trading at \$74.62/bbl as of this writing and with March 2027 futures last going for \$64.25/bbl. The recent rally has pushed the front end of the curve up faster than the out months, causing backwardation to be increased. This backwardation presents an economic headwind for storage operations.

Refinery utilization rose by 0.60 percentage points to 89.20% of installed capacity last week. Analysts were expecting a 0.27pp dip in utilization, but the surprise increase meant runs rose by 0.18 to 15.84mb/d. This is 0.45mb/d higher than last year and also above the 14.66mb/d five-year average. Runs tend to trend higher from around now through mid-August. Exports slowed by 0.32 to an average of 4.00mb/d last week, but this was offset by a 0.34mb/d drop in imports, which averaged 6.32mb/d. Production was virtually unchanged at 13.70mb/d.

Distillates

	2/27/2026	w/w	y/y
Stocks (mb)	120.78	+0.43	+1.63
East Coast	27.54	+1.92	-1.84
New England	3.57	+0.05	-0.43
Mid-Atlantic	12.70	+1.39	-2.24
Production (mb/d)	4.81	+0.06	+0.24
Imports (mb/d)	0.17	-0.24	-0.10
Product Supplied (mb/d)	3.70	-0.20	-0.29
Exports (mb/d)	1.23	-0.00	+0.19

U.S. Distillate Stocks (Thousand Barrels)



Ultra-Low Sulfur Diesel

	2/27/2026	w/w	y/y
Stocks (mb)	108.92	-0.44	-1.48
East Coast	26.33	+1.65	-1.80
Production (mb/d)	4.64	+0.05	+0.19
Imports (mb/d)	0.17	-0.24	-0.10
Product Supplied (mb/d)	4.88	-0.02	-0.03



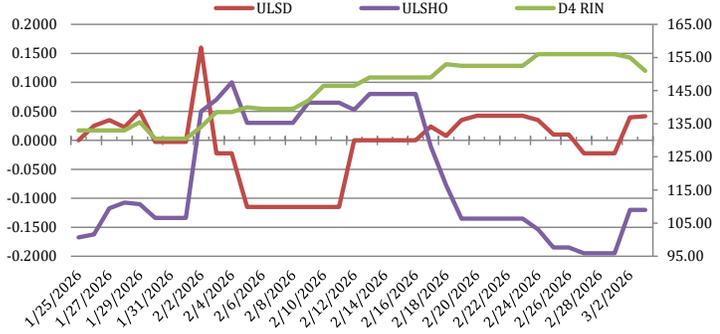
Gasoline

	2/27/2026	w/w	y/y
Stocks (mb)	253.13	-1.70	+6.29
East Coast	66.71	+1.63	+0.37
Production (mb/d)	9.33	+0.12	-0.30
Imports (exc. SPR, mb/d)	0.44	-0.13	-0.17
Product Supplied (mb/d)	8.29	-0.44	-0.59
Exports (mb/d)	1.07	+0.30	+0.25

Propane

	2/27/2026	w/w	y/y
Stocks (mb)	73.35	+0.82	+24.70
Fractionated	45.22	+1.32	+20.80
Production (mb/d)	2.82	-0.05	+0.13
Imports (exc. SPR, mb/d)	0.18	-0.03	-0.03
Product Supplied (mb/d)	1.27	-0.08	+0.21
Exports (mb/d)	1.61	-0.35	-0.64

NYH Cash Differentials to Spot NYMEX HO and D4 RIN

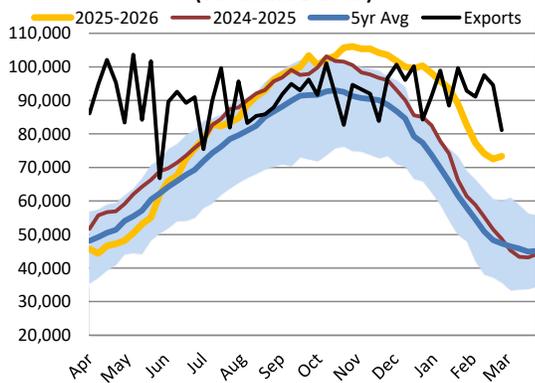


Distillate stocks saw a surprise build of 0.43mb with stronger production and weaker demand, even as imports fell. Production rose by 0.06mb/d to average 4.81mb/d, which is 0.24mb/d higher than last year. Also helping towards the build, implied demand dropped 0.20mb/d lower to 3.70mb/d, which is 0.29mb/d below last year's levels. On the other hand, imports fell by 0.24 to 0.17mb/d. The East Coast saw a much larger build of 1.92mb - a bearish detail in this week's report. PADD 1 stocks rose to 27.54mb, which is 6.3% lower than last year and 21.7% weaker than normal. As with WTI, the ULSD (HO) futures forward curve is backwarddated following the recent rally. As of this writing, the April front-month was trading at \$3.2387, compared to \$2.4415 for the March 2027 contract.

Gasoline stocks, expected to see a seasonal dip of 0.93mb, saw a larger drop of 1.70mb with stronger net exports, despite increased production and lower demand. Output rose 0.12mb/d to average 9.33mb/d, which is 0.30mb/d lower than last year. Implied demand saw a drop of 0.44mb/d to average 8.29mb/d and this is now 0.59mb/d lower than last year. Helping towards the draw was a 0.13mb/d dip in imports which averaged 0.44mb/d, as well as a 0.30mb/d rise in exports to 1.07mb/d. US inventories are now 2.5% higher than last year and 5.4% stronger than normal. A bearish detail from this week's report is that the East Coast saw a 1.63mb build, lifting stock levels to 66.71mb. Regional stocks are up by 0.6% year-on-year and by 5.0% against their five-year average.

We saw a 0.82mb counter-seasonal build in propane/propylene stockpiles, while forecasts called for a 1.34mb draw. The build came as net exports slowed and as implied demand fell, despite a small decline in production. Implied demand, as measured by product supplied, fell by 0.08mb/d to average 1.27mb/d last week, which is still 0.21mb/d higher than last year. Moreover, exports dropped by 0.35mb/d to 1.61mb/d (down 0.64mb/d year-on-year), while imports were little changed at 0.18mb/d. On the other side of equation, production fell by 0.05mb/d to 2.82mb/d, but this is still 0.13mb/d higher than what we saw during the same week last year. Gulf Coast stocks rose by 0.82 to 52.60mb and are now 80.1% above historical norms for this time of year. The East Coast also saw a build, rising by 0.24mb to 3.53mb, but are still 13.0% below normal. Meanwhile, Midwest inventories fell by 0.11 to 13.81mb leaving stockpiles at a 24.6% surplus to the five-year average. US inventories overall are 55.0% stronger than normal and 50.8% higher than last year. Fractionated and ready for sale US propane inventories saw a larger build of 1.32mb, and inventories are now up 85.2% year-on-year.

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



Total U.S. Gasoline Stocks (Thousand Barrels)

