Hedge Solutions

Petroleum Status Report

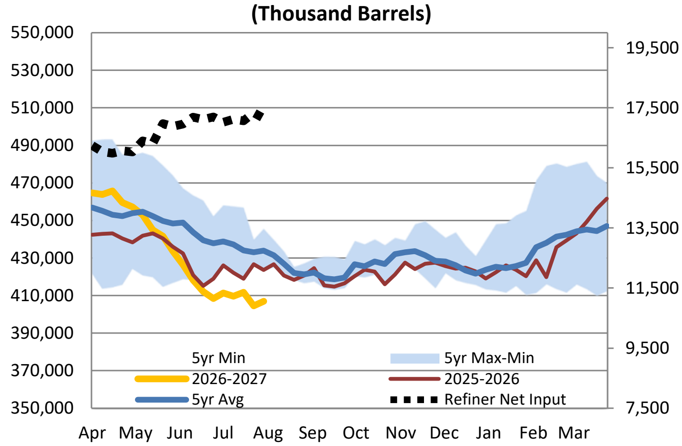
Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	-1.29	+2.70	+2.48	-3.9%	-6.2%
Distillates	+0.16	-1.20	-3.47	-5.1%	-11.9%
Gasoline	-1.32	+0.16	-1.64	-7.7%	-6.1%
Propane	+2.15	-	+0.82	+21.7%	+31.0%
Cushing, OK	-	-	+2.36	-8.9%	-29.1%
Ref. Util.	-0.50	-	-0.70	-0.4%	+3.3%

Crude Oil

	7/31/2026	w/w	y/y
Stocks (mb)	406.99	+2.48	-16.68
Cushing, OK	20.96	+2.36	-2.05
Days Supply (days)	23.73	+0.39	-1.01
Production (mb/d)	13.80	+0.01	+0.52
Imports (exc. SPR, mb/d)	6.20	+0.52	+0.24
Refinery Runs (mb/d)	17.15	-0.18	+0.03
Refinery Utilization (%)	96.50	-0.70	-0.40
Exports	3.69	+0.22	+0.37

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



Weekly EIA inventory figures released this morning were bearish for crude oil but bullish for distillates and propane, and neutral for gasoline. The agency reported a surprise and large build in commercial crude stocks, but an unexpected draw from distillate inventories, while also reporting a smaller-than-predicted build in combined propane and propylene inventories. Meanwhile, the draw from gasoline stockpiles was in line with expectations. As of this writing, ULSD futures were up 1.8%, while WTI and RBOB futures were trading just 0.1% lower.

Commercial crude oil inventories saw a surprise and counter-seasonal build of 2.48mb last week, with stockpiles still remaining below the five-year lows for the week at 406.99mb. This is now 3.9% lower than last year's weak levels and 6.2% below the weekly five-year average. Stock levels at the Cushing, OK storage hub also saw a welcome build of 2.36mb, reaching 20.96mb. This is still 8.9% lower than last year and represents a wide deficit of 29.1% against historical levels for this time of year. Inventories typically turn higher around the end of next month, both at Cushing and overall, as refinery maintenance helps to curb demand. The NYMEX WTI futures forward curve remains backwardated with the spread between the front month and the 12th month out trading at $7.30/bbl this morning.

Refinery utilization fell by 0.7 percentage points to 96.50% of installed capacity last week, pushing runs down by 0.18mb/ to 17.15mb/d. This is similar to last year's levels and still well above the 16.58mb/d five-year average. Imports jumped 0.52mb/d higher to 6.20mb/d last week and are 0.24mb/d stronger year-on-year. Helping limit the size of the build, exports rose last week, by 0.22mb/d to an average of 3.69mb/d - 0.37mb/d higher than last year. Production was little changed at 13.80mb/d.

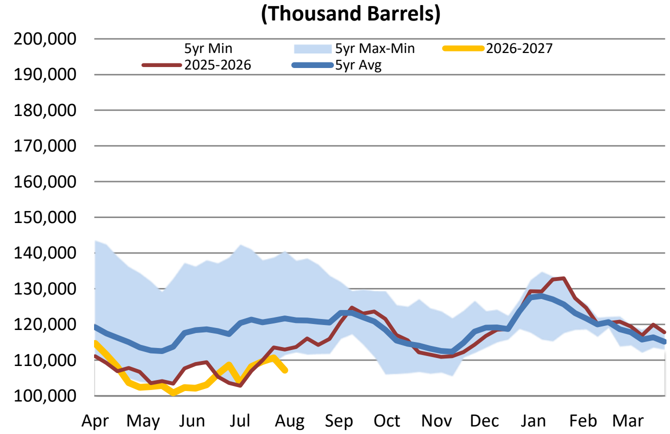
Distillates

	7/31/2026	w/w	y/y
Stocks (mb)	107.16	-3.47	-5.81
East Coast	25.16	+3.01	-2.44
New England	2.73	+0.25	-0.54
Mid-Atlantic	11.90	+0.77	-0.29
Production (mb/d)	5.23	-0.13	+0.13
Imports (mb/d)	0.10	+0.00	+0.02
Product Supplied (mb/d)	3.94	+0.42	+0.22
Exports (mb/d)	1.88	+0.10	+0.34

Ultra-Low Sulfur Diesel

	7/31/2026	w/w	y/y
Stocks (mb)	96.84	-3.26	-6.81
East Coast	24.18	+3.06	-2.18
Production (mb/d)	5.04	-0.08	+0.10
Imports (mb/d)	0.10	+0.00	+0.02
Product Supplied (mb/d)	5.60	+0.52	+0.59

U.S. Distillate Stocks (Thousand Barrels)

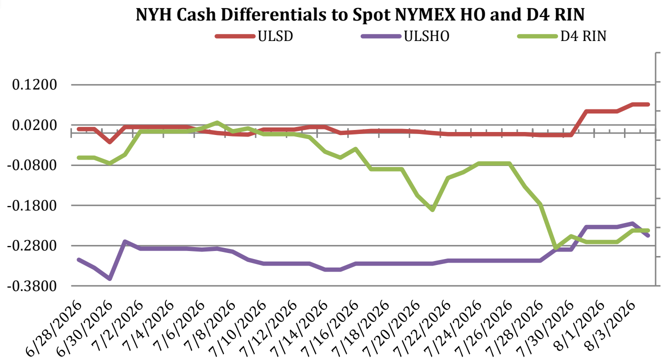


Gasoline

	7/31/2026	w/w	y/y
Stocks (mb)	209.66	-1.64	-17.42
East Coast	52.23	-0.63	-4.88
Production (mb/d)	9.57	-0.31	-0.23
Imports (exc. SPR, mb/d)	0.46	-0.20	-0.07
Product Supplied (mb/d)	9.03	-0.01	-0.01
Exports (mb/d)	0.81	-0.08	-0.14

Propane

	7/31/2026	w/w	y/y
Stocks (mb)	103.10	+0.82	+18.36
Fractionated	70.70	+0.57	+20.29
Production (mb/d)	2.88	0.00	+0.01
Imports (exc. SPR, mb/d)	0.06	-0.01	-0.04
Product Supplied (mb/d)	0.91	+0.43	+0.10
Exports (mb/d)	1.92	-0.19	-0.07



Distillate stocks, expected to see a small build of 0.16mb, saw a 3.47mb draw on stronger implied demand and a rise in net exports, as well as a dip in production. Implied demand rose by 0.42mb/d to an average of 3.94mb/d, which is 0.22mb/d higher than last year. Exports rose by 0.10mb/d to an average of 1.88mb/d last week, which is 0.34mb/d higher than last year, and imports held steady at 0.10mb/d - similar to levels we saw a year ago. Also helping towards the draw was a 0.13mb/d dip in production, which averaged 5.23mb/d – still 0.13mb/d higher than last year. US inventories are 5.1% weaker than last year and 11.9% below the normal for this point in the building season. A bearish note from this week's report is that East Coast inventories saw a build of 3.01mb last week, lifting stocks to 25.16mb. However, this is 8.8% weaker than last year and 19.9% below normal. The NYMEX HO futures forward curve continues to exhibit backwardation which provides economic disincentives for storage operations.

Gasoline inventories saw an expected and seasonal draw of 1.64mb on weaker production and imports. Imports fell by 0.20mb/d to average 0.46mb/d, which is 0.07mb/d lower than last year. Part of this was offset by a dip of 0.08mb/d in exports, which averaged 0.81mb/d (0.14mb/d weaker year-on-year). Furthermore, production fell by 0.31mb/d to 9.57mb/d, and is running 0.23mb/d lower than last year at this time. East Coast stock levels fell by 0.63mb to 52.23mb. This is 8.6% lower than last year and 7.6% weaker than normal. Overall US inventories are 7.7% lower than last year and 6.1% below the weekly five-year average.

The EIA reported a smaller-than-predicted US propane/propylene stock build of 0.82mb. The build was helped by a 0.19mb/d drop in exports, which averaged 1.92mb/d. Helping limit the size of the build was a 0.43mb/d jump in implied demand, which averaged 0.91mb/d (0.10mb/d higher than a year ago). The Gulf Coast saw a 0.28mb draw, while the East Coast saw a 0.22mb rise in stock levels and the Midwest saw the largest portion of the build at 0.61mb. Fractionated and ready for sale inventories rose by 0.57mb to 70.70mb, and are 40% higher than last year. Overall US propane inventories are now 21.7% higher than last year and 31.0% above the five-year average.