



The information provided in this market update is general market commentary provided solely for educational and informational purposes. The information was obtained from sources believed to be reliable, but we do not guarantee its accuracy. No statement within the update should be construed as a recommendation, solicitation or offer to buy or sell any futures or options on futures or to otherwise provide investment advice. Any use of the information provided in this update is at your own risk.

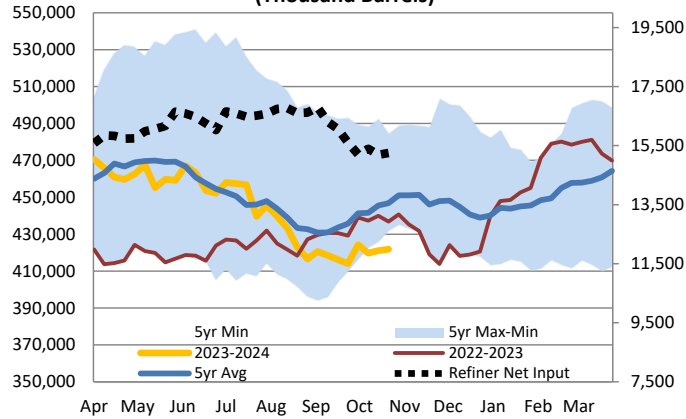
### Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	+0.88	+1.30	+0.77	-3.4%	-5.6%
Distillates	-1.72	-2.50	-0.79	+4.2%	-11.7%
Gasoline	-0.65	-0.36	+0.07	+8.2%	+2.2%
Propane	-0.50	-	-1.23	+14.9%	+16.0%
Cushing, OK	-	-	+0.27	-23.7%	-45.6%
Ref. Util.	+0.35	-	-0.20	-5.7%	-0.3%

### Crude Oil

	10/27/2023	w/w	y/y
Stocks (mb)	421.89	+0.77	-14.94
Cushing, OK	21.50	+0.27	-6.67
Days Supply (days)	27.66	-0.06	+0.09
Production (mb/d)	13.20	0.00	+1.30
Imports (exc. SPR, mb/d)	6.43	+0.41	+0.22
Refinery Runs (mb/d)	15.25	+0.06	-0.59
Refinery Utilization (%)	85.40	-0.20	-5.20
Exports	4.90	+0.06	+0.97

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



**This week's EIA inventory report was fairly neutral.** Crude stocks saw an as-expected build, and gasoline inventories were little changed, as expected. Combined propane and propylene inventories saw a slightly larger than predicted draw, while distillate stocks saw a smaller than predicted drawdown. Following the release of the report, petroleum futures down from earlier highs but still seeing gains of one percent or higher.

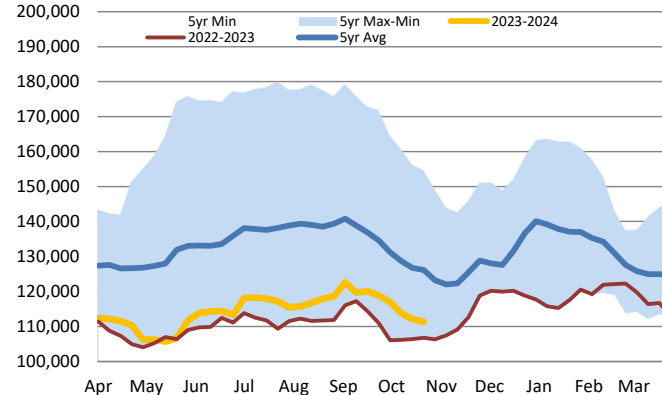
**US commercial crude oil inventories saw a small build of less than 1mb, as expected,** but remain at weekly five-year lows. Inventories are 3.4% lower than they were last year at this time and 5.6% below the five-year average for the reporting week. Cushing, OK stock levels rose by 0.27mb to 21.50mb but are 23.7% lower than last year and at a sharp deficit of 45.6% against historical norms. Cushing inventories account for 6.67mb of the overall 14.9mb yearly stock deficit. Inventories tend to rise around this time of year, both at the storage hub and for the US overall, amid relatively weak seasonal refining activity. US stocks tend to rise through the middle of this month. Cushing stocks tend to level out around this time after having trended higher since early September, but we have seen a trend in the opposite direction this year. The NYMEX WTI futures forward curve remains heavily backwardated, providing economic disincentives for storage operations. Backwardation has eased since late last month, however, with the spread between the spot month and the 12th month out falling from \$13.60/bbl on September 27 to about \$5.75/bbl today.

Helping towards last week's build, refinery utilization saw a surprise 0.20 percentage point dip to 85.4%, but actual runs ended up 0.06mb/d higher at 15.25mb/d. This is 0.59mb/d lower than last year's strong run rate, but in-line with the weekly five-year average. Runs tend to pick from now through late December. On the other side of the supply-demand equation, US oil production held at a record-high 13.20mb/d, with 12.80mb/d of that coming from the Lower 48. Net imports increased last week as import picked up by 0.41mb/d (to 6.43mb/d) while exports saw a smaller rise of 0.06mb/d (to 4.90mb/d).

### Distillates

	10/27/2023	w/w	y/y
Stocks (mb)	111.30	-0.79	+4.51
East Coast	24.80	-2.08	-0.57
New England	3.20	-0.23	-0.37
Mid-Atlantic	12.00	-1.14	+1.19
Production (mb/d)	4.58	-0.15	-0.54
Imports (mb/d)	0.07	-0.05	-0.05
Product Supplied (mb/d)	3.68	-0.39	-0.58
Exports (mb/d)	1.08	+0.06	+0.16

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



### Ultra-Low Sulfur Diesel

	10/27/2023	w/w	y/y
Stocks (mb)	100.98	-1.20	+5.14
East Coast	23.18	-2.00	+0.23
Production (mb/d)	4.41	-0.10	-0.52
Imports (mb/d)	0.07	-0.05	-0.05
Product Supplied (mb/d)	4.65	-0.21	-0.33

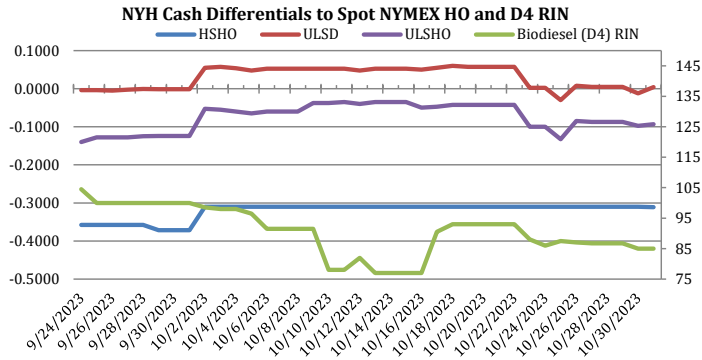


### Gasoline

	10/27/2023	w/w	y/y
Stocks (mb)	223.52	+0.06	+16.89
East Coast	56.57	+0.50	+6.36
Production (mb/d)	9.49	-0.33	+0.01
Imports (exc. SPR, mb/d)	0.56	-0.10	+0.27
Product Supplied (mb/d)	8.70	-0.17	+0.04
Exports (mb/d)	0.84	+0.00	-0.00

### Propane

	10/27/2023	w/w	y/y
Stocks (mb)	101.20	-1.23	+13.15
East Coast	9.79	+0.34	+0.92
Production (mb/d)	2.55	-0.03	+0.01
Imports (exc. SPR, mb/d)	0.10	-0.00	-0.02
Product Supplied (mb/d)	0.94	+0.11	-0.10
Exports (mb/d)	1.89	+0.05	+0.44

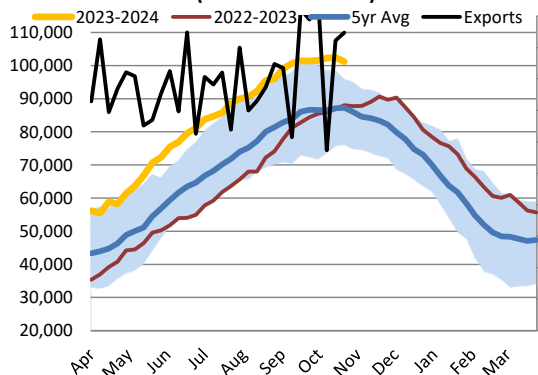


Distillate stocks saw a seasonal draw of 0.79mb last week, slightly smaller than the 1.72mb prediction, as implied demand softened. Demand, as measured by product supplied, dropped by 0.39mb/d to average 3.68mb/d. This is 0.58mb/d lower than last year and at least a five-year low for the reporting week. Exports, on the other hand, rose by 0.06 to 1.08mb/d and are running 0.16mb/d higher than last year. While demand is down by 0.58mb/d year-on-year, production was down by a similar 0.54mb/d last week, averaging 4.58mb/d. Output on the West Coast is down by 0.17mb/d, Gulf Coast production has fallen by 0.12mb/d, and Midwestern output is down by 0.14mb/d year-on-year. US inventory levels are still 4.2% higher than last year, but a sharp 11.8% below the weekly five-year average. On the East Coast, stocks are 2.2% lower than last year, but at a very wide deficit of 40.1% against the norm for this point in the heating season. These low inventory levels represent a weak cushion against adverse events in the market that could send cash differentials spiking higher.

Gasoline inventories were little changed last week, as expected, but the East Coast saw a welcome build. While US inventories overall edged up just 0.06mb to 223.52mb, which is 8.2% higher than last year and 2.2% above the five-year average, East Coast stock levels rose by 0.50mb. This left them at 56.57mb, which is now 12.7% higher than last year and only 1.8% below the five-year average for the reporting week. Both US and PADD 1 gasoline inventories have been trending higher counter-seasonally this fall.

Combined propane and propylene stockpiles saw a slightly larger than expected draw of 1.23mb on stronger demand and exports. Implied demand strengthened by 13% to average 0.94mb/d last week, and exports increased by 3% to 1.89mb/d. Meanwhile, both production and imports fell marginally, to respective average of 2.55mb/d and 0.10mb/d. Gulf Coast stock levels dropped 1.69mb lower to 58.31mb, but are still 21% stronger than normal. The Midwest saw a 0.14mb build, leaving PADD 2 inventories at 27.20mb and 5.6% higher than the five-year average for the week. East Coast inventories rose by 0.34 to 9.79mb and are 17% stronger than normal. US inventories remain in strong shape for this point in the heating season.

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



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

