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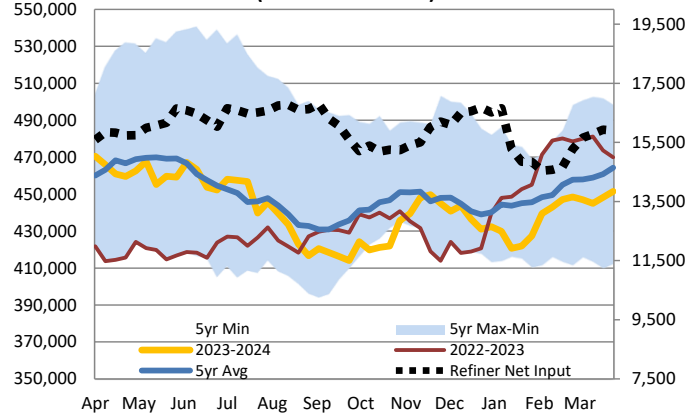
### Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	-0.46	-2.30	+3.21	-3.9%	-2.8%
Distillates	-0.81	-2.60	-1.27	+2.7%	-6.9%
Gasoline	-0.75	-1.50	-4.26	+2.4%	-3.5%
Propane	+0.79	-	-0.35	-7.0%	+9.4%
Cushing, OK	-	-	-0.38	-3.2%	-17.8%
Ref. Util.	+0.30	-	-0.10	-1.1%	+3.2%

### Crude Oil

	3/29/2024	w/w	y/y
Stocks (mb)	451.42	+3.21	-18.54
Cushing, OK	33.16	-0.38	-1.08
Days Supply (days)	28.40	+0.26	-1.70
Production (mb/d)	13.10	0.00	+0.90
Imports (exc. SPR, mb/d)	6.62	-0.08	-0.53
Refinery Runs (mb/d)	15.90	-0.04	+0.28
Refinery Utilization (%)	88.60	-0.10	-1.00
Exports	4.02	-0.16	-1.22

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



This week's inventory report from the Energy Information Administration (EIA) was bearish for crude oil but neutral for distillates and propane and bullish for gasoline. The agency reported a surprise but seasonal rise in crude oil inventories, little change in propane/propylene inventories which was consistent with expectations, and an as-expected dip in distillate stock levels, but a much larger than predicted draw from gasoline stockpiles. Following release of the report, petroleum futures continued to trade higher but pared gains somewhat.

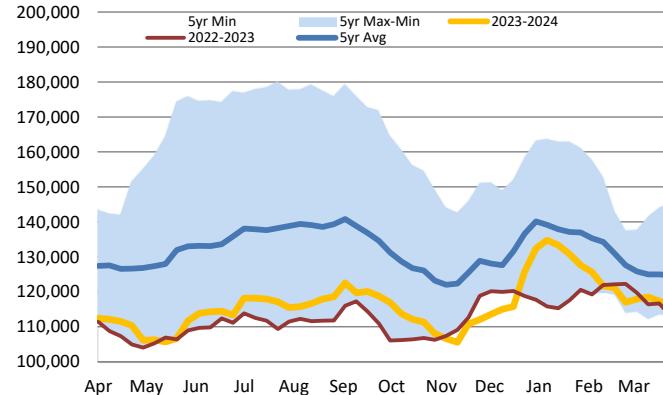
Analysts surveyed by both Reuters and S&P Global were both somehow again expecting a counter-seasonal draw from crude oil stockpiles, but EIA once again showed a seasonal build, helped by weaker exports and refining activity. Inventories climbed 3.21mb higher to hit 451.42mb, which is 3.9% lower than last year and still 2.8% below the five-year average for the reporting week. Backwardation in the futures forward curve has been increasing lately, with the spread between the front month and the 12th month out rising from \$5.31/bbl on March 12 to \$6.69/bbl on March 27 and now to \$9.26/bbl today. This market structure provides economic headwinds for storage operations. The Cushing, OK storage hub saw a draw last week, with inventory levels falling by 0.38mb to 33.16mb. This is 3.2% lower than last year and 17.8% below the weekly five-year average. Cushing stocks tend to rise in the month of April, per the five-year average, before turning south and falling through early September amid strong refining activity. Similarly, US inventories overall tend to rise in April and then more slowly through early June before falling through mid-September.

Exports slowed by 0.16mb/d last week, helping towards the weekly stock build. Exports averaged 4.02mb/d, which is a sharp 1.22mb/d lower than last year during the same week. Refinery runs fell marginally, also helping towards the build, by 0.04 to 15.90mb/d. Runs are still 0.28mb/d higher than last year, however, and well above the five-year average for the reporting week of 15.27mb/d. On the other side of the supply-demand equation, production held steady at 13.10mb/d, which is 0.90mb/d higher than last year but down from the record-high of 13.30mb/d. Imports fell slightly, averaging 6.62mb/d, which is 0.53mb/d lower than last year. Inventories are weaker than normal but safely in the middle of the five-year range and rising seasonally.

### Distillates

	3/29/2024	w/w	y/y
Stocks (mb)	116.07	-1.27	+3.02
East Coast	29.21	+0.03	+1.91
New England	4.23	-0.56	-0.01
Mid-Atlantic	14.40	+0.46	+1.92
Production (mb/d)	4.61	-0.21	-0.13
Imports (mb/d)	0.10	-0.06	-0.01
Product Supplied (mb/d)	3.50	-0.53	-0.75
Exports (mb/d)	1.40	+0.28	+0.26

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



### Ultra-Low Sulfur Diesel

	3/29/2024	w/w	y/y
Stocks (mb)	107.49	-0.50	+3.10
East Coast	27.92	+0.22	+2.11
Production (mb/d)	4.44	-0.22	-0.09
Imports (mb/d)	0.10	-0.06	-0.01
Product Supplied (mb/d)	4.61	-0.22	-0.42

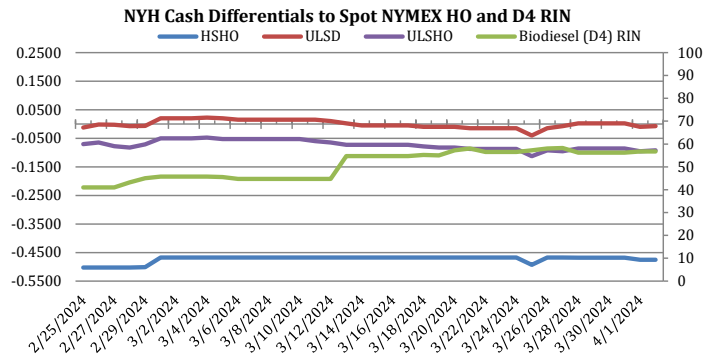


### Gasoline

	3/29/2024	w/w	y/y
Stocks (mb)	227.82	-4.26	+5.24
East Coast	54.82	-3.43	+1.50
Production (mb/d)	9.98	+0.77	+0.13
Imports (exc. SPR, mb/d)	0.49	-0.03	-0.23
Product Supplied (mb/d)	9.24	+0.52	-0.06
Exports (mb/d)	0.86	+0.08	+0.00

### Propane

	3/29/2024	w/w	y/y
Stocks (mb)	51.81	-0.35	-3.90
Fractionated	26.69	+0.26	
Production (mb/d)	2.67	+0.01	+0.26
Imports (exc. SPR, mb/d)	0.13	+0.01	+0.00
Product Supplied (mb/d)	1.43	+0.68	+0.13
Exports (mb/d)	1.42	-0.61	+0.11

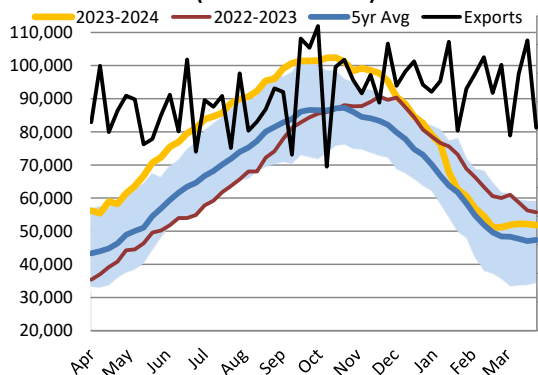


**Distillate inventories saw a seasonal draw, as predicted.** Stock levels fell by 1.27mb to 116.07mb, with stronger exports and weaker production helping to put downward pressure on them, even as implied demand fell. Implied demand dropped 0.53mb/d lower to an average of 3.50mb/d, which is 0.75mb/d lower than last year, a weekly low of at least five years, and well below the 3.89mb/d five-year average for the reporting week. On the other hand, production fell by 0.21mb/d to 4.61mb/d, which is 0.13mb/d lower than last year, and exports jumped 0.28mb/d higher to an average of 1.40mb/d, which is 0.26mb/d higher than last year. Imports were little changed at 0.10mb/d, which is flat year-on-year. US inventories are 2.7% higher than last year's weak levels (which set the bottom of the weekly five-year range for most weeks), but still 7.0% below normal for this point late in the heating season. Stocks tend to start building late this month or early next, rising through early September. Although US stock levels fell overall, the East Coast saw a small, counters-seasonal build of 0.03mb. PADD 1 inventories typically fall through mid-May before turning higher and building through the summer. As can be seen in the chart above, cash market differentials remain tame despite the weak inventory levels, as we approach the end of the heating season.

**Gasoline stocks fell much more sharply than expected last week** as demand strengthened. Implied demand shot up 0.52mb/d to a 9.24mb/d, which is flat to last year. Exports increased by 0.08 to 0.86mb/d, which is also flat to last year. Meanwhile, imports are running 0.23mb/d lower than last year, at 0.49mb/d. Production picked up seasonally last week, to 9.98mb/d. Adding to the bullish nature of the data, much of the 4.26mb nationwide stock draw occurred on the East Coast, where inventory levels fell by 3.43mb. At 54.82mb, PADD 1 inventories are now 10.0% weaker than normal (but 2.8% higher than last year). US inventories overall are 2.4% higher than last year, but at a 3.5% deficit to their weekly five-year average.

**The EIA reported a small, surprise build in combined propane and propylene inventories as implied demand shot up,** even as exports fell sharply. Implied demand surged 0.68mb/d higher to average 1.42mb/d, which is higher than the 1.30mb/d we saw during the same week last year. Offsetting much of this, however, exports tumbled 0.61mb/d lower to average 1.42mb/d - also higher than the 1.31mb/d we saw last year. Meanwhile, production and imports both rose marginally, averaging 2.67mb/d and 0.13mb/d, respectively. US inventories are still 9.4% stronger than normal for this time of year, but 7.0% lower than last year's strong levels that were near the top of the weekly five-year range. Although US inventories fell overall, fractionated and ready for sale propane inventories rose by 0.26mb to 26.69mb, largely due to a 0.25mb rise in Midwestern inventories.

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



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

