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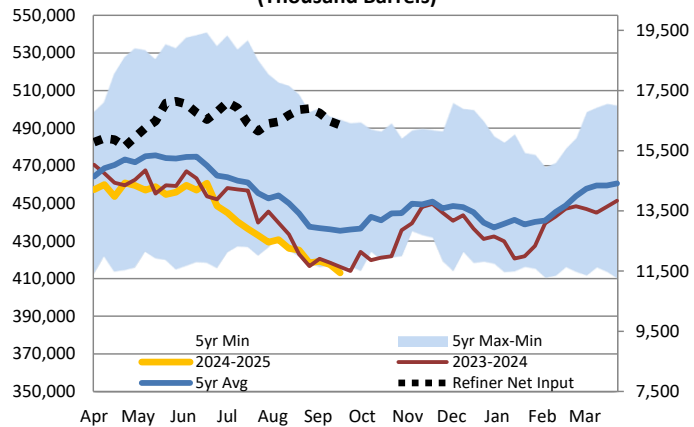
Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	-1.52	-4.34	-4.47	-0.8%	-5.3%
Distillates	-1.54	-1.12	-2.23	+2.4%	-8.0%
Gasoline	-0.36	-3.44	-1.54	-0.2%	-1.1%
Propane	+1.68	-	-1.55	-3.8%	+7.1%
Cushing, OK	-	-0.03	+0.12	+4.0%	-36.0%
Ref. Util.	-0.48	-	-1.20	+1.6%	+5.5%

Crude Oil

	9/20/2024	w/w	y/y
Stocks (mb)	413.04	-4.47	-3.25
Cushing, OK	22.83	+0.12	+0.87
Days Supply (days)	25.26	-0.08	-0.65
Production (mb/d)	13.20	0.00	+0.30
Imports (exc. SPR, mb/d)	6.46	+0.13	-0.77
Refinery Runs (mb/d)	16.35	-0.12	+0.29
Refinery Utilization (%)	90.90	-1.20	+1.40
Exports	3.90	-0.69	-0.12

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



This week's inventory report was supportive to bullish all around. The agency reported a much larger than expected draw from commercial crude stocks and larger than predicted declines in both distillate and gasoline inventories, as well as a surprise draw from combined propane and propylene stocks. Nevertheless, petroleum futures were seeing losses of between 0.7% (HO) and 2.5% (WTI) as of this writing.

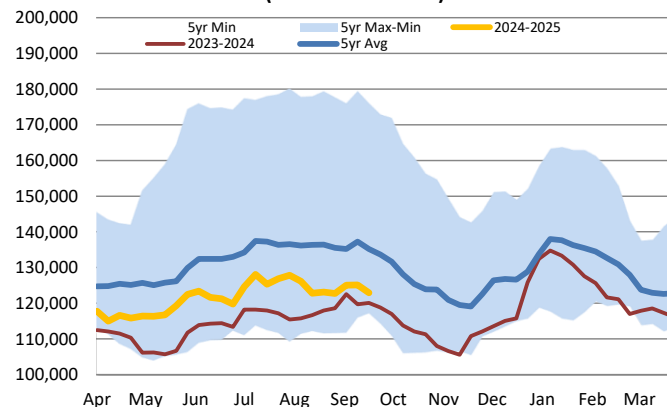
US crude oil inventories fell to a five-year low last week, even as net imports increased and refining activity waned. Stock levels tumbled 4.47mb lower to 413.04mb, which is now 5.3% below the five-year average for the week and 0.8% lower than last years very weak levels. While stocks fell overall, the Cushing, OK storage hub saw a 0.12mb build. The modest increase was seasonal, as inventories at the hub tend to trend slightly higher from around now through early January. The NYMEX WTI futures forward curve remains backwardated, a market structure where the prompt months are trading at a premium to contracts months that are further out on the curve - providing economic headwinds for storage operations. The Brent-WTI spread had been trending narrower this month, from \$4.19/bbl on September 5 to \$3.49/bbl on September 20, but has since risen slightly to \$3.75/bbl today.

Oddly, despite Gulf of Mexico shutdowns logged by the BSEE due to Hurricane Francine, the DOE reported flat US crude oil production at 13.20mb/d. We did see some movement in international flows, as exports dropped 0.69mb/d lower to 3.90mb/d, while imports increased by 0.13 to 6.46mb/d. Refinery runs fell seasonally, by 0.12 to 16.35mb/d - but this is still 0.29mb/d higher than last year and well above the weekly five-year average at 15.38mb/d despite relatively weak refinery crack spreads.

Distillates

	9/20/2024	w/w	y/y
Stocks (mb)	122.92	-2.23	+2.86
East Coast	36.65	+1.47	+8.26
New England	5.21	+0.00	+2.00
Mid-Atlantic	18.92	+0.68	+3.53
Production (mb/d)	4.90	-0.16	-0.03
Imports (mb/d)	0.10	-0.04	-0.01
Product Supplied (mb/d)	4.02	+0.22	+0.05
Exports (mb/d)	1.30	-0.08	+0.28

U.S. Distillate Stocks (Thousand Barrels)



Ultra-Low Sulfur Diesel

	9/20/2024	w/w	y/y
Stocks (mb)	113.79	-2.17	+4.15
East Coast	35.13	+1.51	+8.53
Production (mb/d)	4.76	-0.18	-0.01
Imports (mb/d)	0.10	-0.04	-0.01
Product Supplied (mb/d)	5.17	+0.15	+0.28

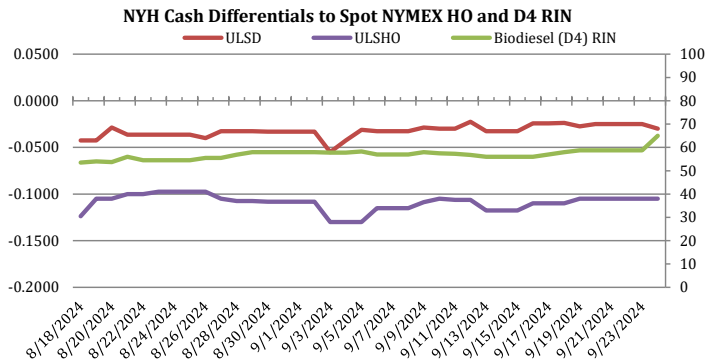


Gasoline

	9/20/2024	w/w	y/y
Stocks (mb)	220.08	-1.54	-0.42
East Coast	60.08	+1.72	+4.04
Production (mb/d)	9.84	+0.18	+0.70
Imports (exc. SPR, mb/d)	0.75	+0.28	+0.04
Product Supplied (mb/d)	9.21	+0.43	+0.59
Exports (mb/d)	0.85	+0.11	+0.03

Propane

	9/20/2024	w/w	y/y
Stocks (mb)	97.56	-1.55	-3.87
Fractionated	68.72	-0.85	
Production (mb/d)	2.67	-0.03	+0.07
Imports (exc. SPR, mb/d)	0.10	+0.03	+0.02
Product Supplied (mb/d)	1.33	+0.73	+0.79
Exports (mb/d)	1.66	-0.19	-0.38

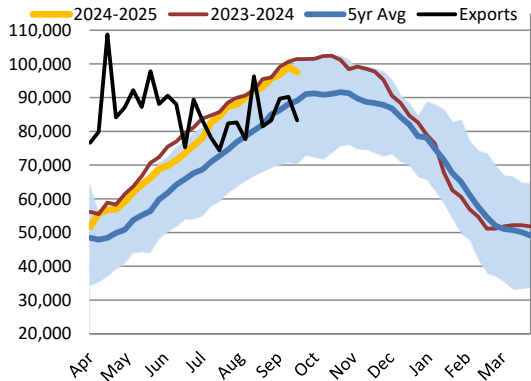


Distillate stocks saw a sharper than predicted drop of 2.23mb on stronger demand and weaker production. Implied demand jumped 0.22mb/d higher to average 4.02mb/d, which is 0.05mb/d higher than last year. Also contributing towards the weekly stock draw was a 0.16mb/d drop in production, which averaged 4.90mb/d (about flat to last year). Exports fell slightly to 1.30mb/d (0.28mb/d higher than last year) and imports fell slightly as well, averaging 0.10mb/d. While data looked bullish overall, there was a bearish detail in that the East Coast - home to the New York Harbor delivery point for the NYMEX HO (ULSD) futures contract - saw a counter-seasonal build. PADD 1 inventories rose by 1.47mb to 36.65mb and are now 29.1% stronger than last year - but also still 7.5% weaker for this time of year. Inventories tend to fall along with temperatures through late October, when rising output as refineries wind up the fall maintenance period helps stock levels to rise through the first half of January. Inventories are in stronger shape than they were last year, but still low compared to historical levels.

Gasoline stockpiles fell by 1.54mb last week, a sharper than predicted decline, with stronger demand. Implied demand jumped 0.43mb/d higher to average 9.21mb/d, and exports increased by 0.11mb/d to 0.85mb/d, also helping towards the stock draw. On the other hand, imports rose by 0.28 to 0.75mb/d, and production increased by 0.18 to 9.84mb/d. As with distillates, we saw a PADD 1 build. Regional inventories increased by 1.72mb, reaching 60.08mb. This is 7.2% higher than last year and 3.1% higher than normal for this time of year. Overall US inventories are about flat to last year and just 1.1% lower than normal.

We saw a surprise draw of 1.55mb from propane/propylene stockpiles amid a spike in implied demand. As measured by product supplied, implied demand shot up 0.73mb/d week-to-week to average 1.33mb/d. This is far above last year's 0.54mb/d during the same period. Also helping towards the draw was a 0.03mb/d dip in production, which averaged 2.67mb/d. Net exports fell, however, as exports dropped 0.19mb/d lower to average 1.66mb/d, while imports rose by 0.03 to 0.10mb/d. Most of the draw was on the Gulf Coast, where inventories fell by 1.57 to 56.25mb (but are still 10.2% stronger than normal). The East Coast saw a 0.45mb draw, cutting storage levels down to 7.82mb. With soft crop drying demand, however, Midwestern inventories increased by 0.56 to 27.53mb. Fractionated and ready for sale inventories rose by 0.33mb in the Midwest, but fell by 0.60mb on the Gulf Coast and by 0.45mb on the East Coast. Overall propane/propylene stocks appear to be in good shape at this point late in the building season, despite the surprise counter-seasonal draw.

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



Total U.S. Gasoline Stocks (Thousand Barrels)

