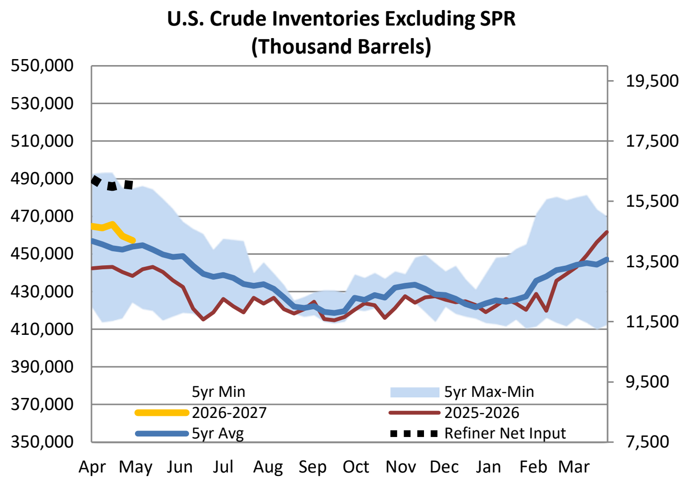
Hedge Solutions

Petroleum Status Report

Inventory Snapshot

	Est.	API	EIA	vs. 1yr	vs. 5yr
Crude	-2.36	-8.10	-2.31	+4.3%	+0.7%
Distillates	-2.16	-4.60	-1.29	-4.1%	-9.9%
Gasoline	-2.26	-6.10	-2.50	-2.6%	-3.1%
Propane	+0.57	-	-1.29	+61.0%	+50.9%
Cushing, OK	-	-1.00	-0.65	+16.7%	-13.6%
Ref. Util.	+0.73	-	+0.50	+1.2%	+1.3%



Crude Oil

	5/1/2026	w/w	y/y
Stocks (mb)	457.18	-2.31	+18.81
Cushing, OK	29.12	-0.65	+4.16
Days Supply (days)	28.52	-0.07	+1.24
Production (mb/d)	13.57	-0.01	+0.21
Imports (exc. SPR, mb/d)	5.48	-0.27	-0.58
Refinery Runs (mb/d)	16.03	-0.04	-0.04
Refinery Utilization (%)	90.10	+0.50	+1.10
Exports	4.75	-1.69	+0.74

This week's report was neutral for crude oil and gasoline, but unsupportive for distillates and bullish for propane. The EIA reported draws from both crude oil and gasoline inventories that were similar to expectations, but a smaller-than-predicted draw from distillates stockpiles and a surprise decline in propane/propylene stocks. As of this writing, crack spreads were widening as losses in WTI of 7.2% outpaced those in ULSD (5.3%) and RBOB (4.1%).

Crude oil inventories saw an as-expected draw of 2.31mb on lower imports, despite a sharp decline in exports. Refinery utilization increased by 0.50 percentage points to 90.1% of installed capacity, below the 0.73pp predicted increase. Runs were little changed at 16.03mb/d, which is 0.04mb/d lower than last year. On the other side of the equation, net imports rose to 0.73mb/d as imports fell 0.27mb/d to 5.48mb/d (0.58mb/d lower than a year ago) and exports dropped by a larger 1.69mb/d to 4.75mb/d (still 0.74mb/d higher year-on-year). Production was little changed at 13.57mb/d, which is 0.21mb/d higher than last year.

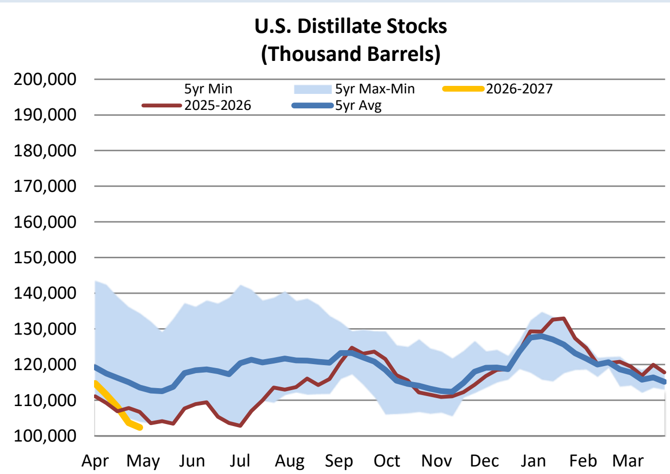
Last week's draw left US stocks at 457.18mb, which is 4.3% higher than last year and 0.7% above normal. Cushing, OK stocks fell by 0.65mb last week, putting storage levels at 29.12mb. This is still 16.7% higher than last year but 13.6% below normal. Inventories tend to move mostly sideways until June, when they usually turn lower due to increased summertime refining activity.

Distillates

	5/1/2026	w/w	y/y
Stocks (mb)	102.34	-1.29	-4.36
East Coast	24.55	-1.34	+0.30
New England	2.93	-0.51	+0.12
Mid-Atlantic	12.57	-0.34	+1.07
Production (mb/d)	4.92	-0.02	+0.27
Imports (mb/d)	0.12	-0.00	+0.01
Product Supplied (mb/d)	3.36	-0.75	-0.16
Exports (mb/d)	1.86	+0.27	+0.46

Ultra-Low Sulfur Diesel

	5/1/2026	w/w	y/y
Stocks (mb)	93.14	-1.46	-4.20
East Coast	23.54	-1.33	+0.77
Production (mb/d)	4.69	-0.09	+0.19
Imports (mb/d)	0.12	-0.00	+0.01
Product Supplied (mb/d)	5.02	-0.44	+0.18



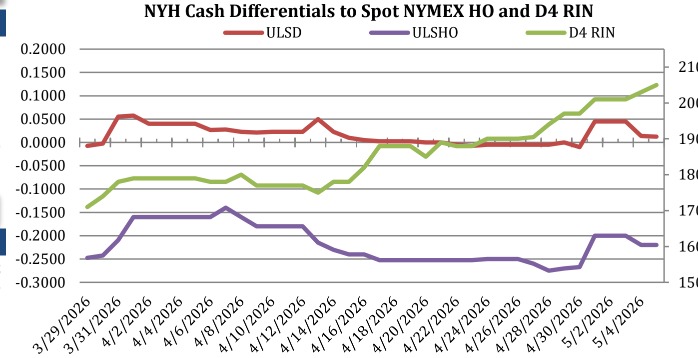
Gasoline

	5/1/2026	w/w	y/y
Stocks (mb)	219.80	-2.50	-5.93
East Coast	56.87	+1.24	-2.31
Production (mb/d)	9.56	-0.27	-0.15
Imports (exc. SPR, mb/d)	0.76	+0.41	-0.01
Product Supplied (mb/d)	8.81	-0.29	+0.10
Exports (mb/d)	0.86	+0.08	-0.12

Propane

	5/1/2026	w/w	y/y
Stocks (mb)	77.56	-1.29	+29.38
Fractionated	50.05	-0.92	+28.97
Production (mb/d)	2.94	-0.04	+0.12
Imports (exc. SPR, mb/d)	0.07	-0.04	-0.01
Product Supplied (mb/d)	1.17	+0.18	+0.07
Exports (mb/d)	2.03	-0.23	+0.36

NYH Cash Differentials to Spot NYMEX HO and D4 RIN

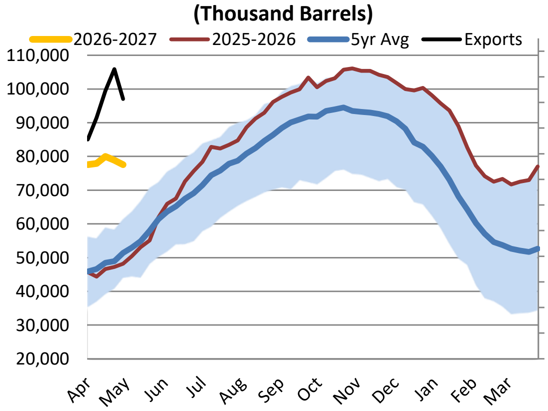


The EIA reported a smaller-than-estimated draw of 1.29mb from distillate stocks last week as exports jumped 0.27mb/d higher to average 1.86mb/d. This is 0.46mb/d higher than last year. Production and imports were little changed at 4.92mb/d and 0.12mb/d, respectively. Helping limit the size of the draw was a 0.75mb/d drop in implied demand, which averaged 3.36mb/d. This is 0.16mb/d lower than what we saw the same week last year. The East Coast saw a 1.34mb decline in inventories to 24.55mb. PADD 1 inventories are now 1.2% higher than last year but still 11.4% below normal. Overall US stockpiles are down by 4.1% year-on-year and 9.9% compared to the weekly five-year average. Inventories tend to rise from mid-May through early July.

Gasoline stocks saw a 2.50mb draw, which was in line with forecasts at 2.26mb. The withdrawal came amid a drop production and an increase in exports, even as implied demand fell and imports rose. Production fell by 0.27mb/d to 9.56mb/d last week, which is 0.15mb/d lower than last year. Additionally, exports rose by 0.08mb/d to 0.86mb/d, but this was still 0.12mb/d lower than last year's levels. On the other hand, imports rose by 0.41mb/d to 0.76mb/d, which is about flat to last year. Implied demand fell by 0.29mb/d to 8.81mb/d. This is 0.10mb/d higher than last year. Gasoline stocks are now 2.6% below last year's levels and 3.1% below the five-year average. A bearish detail from this week's report is that the East Coast saw a 1.24mb build last week, lifting stocks to 56.87mb. This is 3.9% lower than last year, but just 0.5% above the 5-year average.

The EIA reported a surprise draw from propane/propylene stocks of 1.29mb, while an OPIS survey called for an increase of 0.57mb, as implied demand jumped 0.18mb/d higher to average 1.17mb/d. This was 0.07mb/d higher than last year for the same period. On the other end of the equation, exports dropped 0.23mb/d lower to 2.03mb/d last week, which is still 0.36mb/d above last year's level. Production was little changed at 2.94mb/d and is 0.12mb/d higher compared to last year. Gulf Coast stocks fell by 1.91mb to 54.60mb, which is still a sharp 68.5% higher than normal, while Midwestern inventories saw a small build of 0.66mb, climbing to 16.24mb which is 38.1% above the five-year average for the week. Fractionated and ready for sale propane stocks fell by 0.92mb to 50.05mb, which is significantly higher than last year's 21.07mb. US propane/propylene stocks are overall 50.9% stronger than normal and 61.0% higher than last year at this time.

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



Total U.S. Gasoline Stocks (Thousand Barrels)