

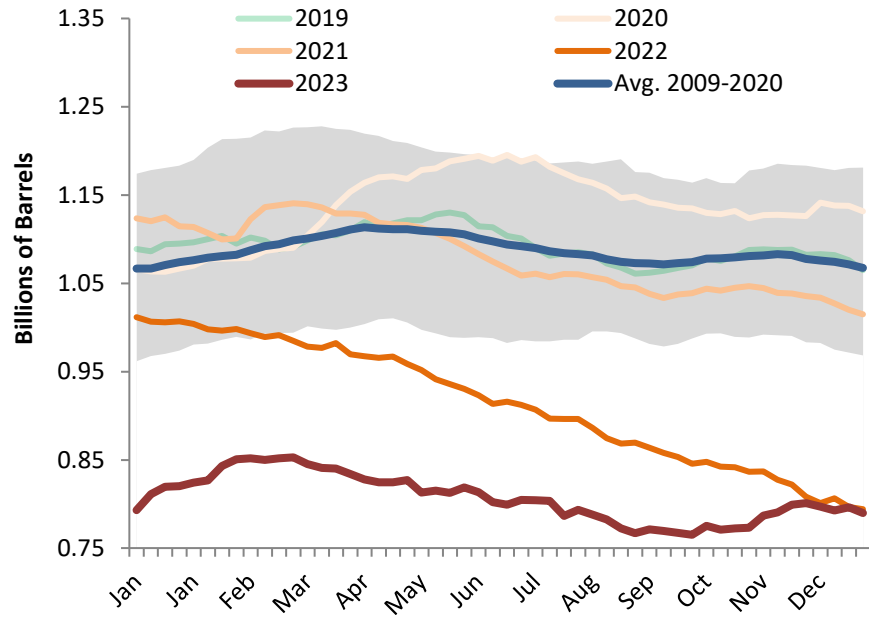
EIA Petroleum Status Report

3 January 2024

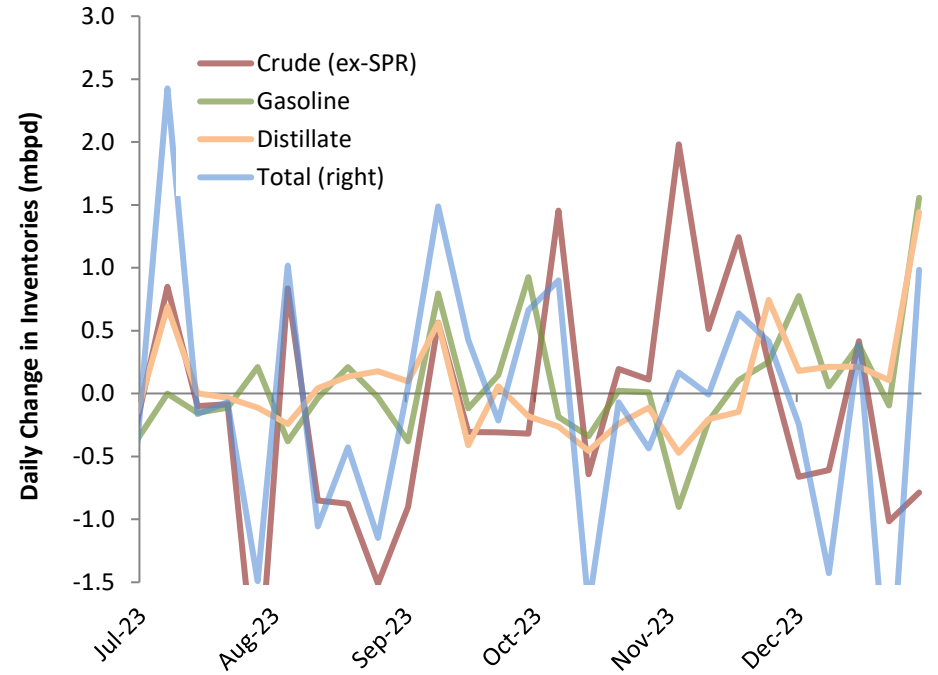
- The EIA weekly report was modestly constructive.
- Despite media reports of a 'surge' in product inventories, these are entirely normal when considering seasonality and demand factors. Crude inventories are similarly normal.
- Gasoline and diesel supplied (consumption) look quite healthy, both up and reflecting greater affordability at the pump. The US consumer is feeling in a better mood.
- Incentive-to-store analysis suggests that balances may remain relatively soft in the first half of the year, with gradual tightening through 2024. This suggests comparatively subdued oil prices through Q1, but with a gradual rise towards the back end of the year. Bear in mind this is current market sentiment, not necessarily a forecast.
- US oil production declined 0.1 mbpd to 13.2 mbpd but is essentially flat over the last three months. This is consistent with the EIA's monthly STEO, which sees US production on a brief plateau and then declining modestly to a lower level through Q3.
- The Brent Spread (Brent – WTI) remains reasonably wide, \$5.50 / barrel at writing. This is consistent, as before, with US production growth of around 800 kbpd / year. Lively US demand and flat US production growth should be driving higher oil prices, but it's not. Maybe it's China, or perhaps production growth is not fully captured in the data.
- Overall, the report speaks to a healthy economy and balanced inventories, with a suggestion that production growth is better than the numbers say.

Absolute Inventory Changes

US Crude Oil Inventories

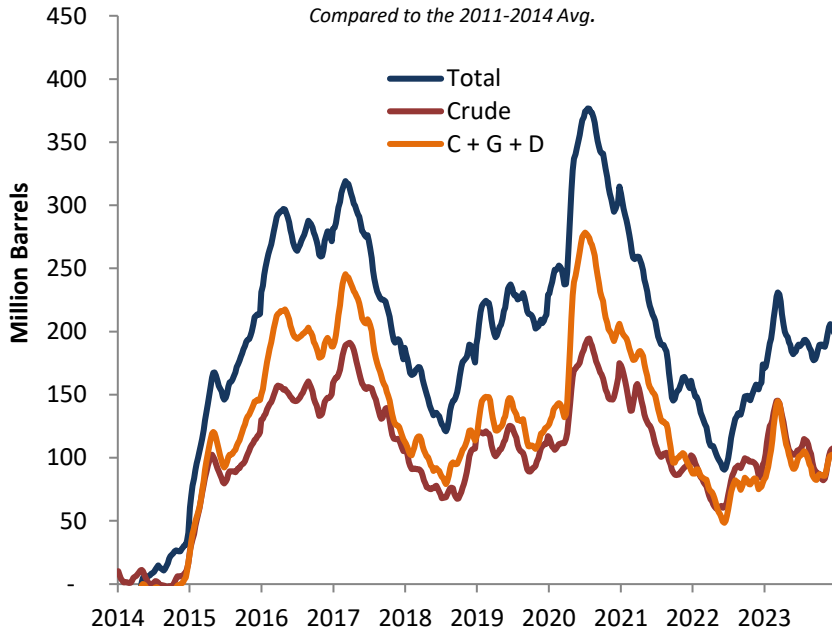


Change in Commercial Crude Inventories



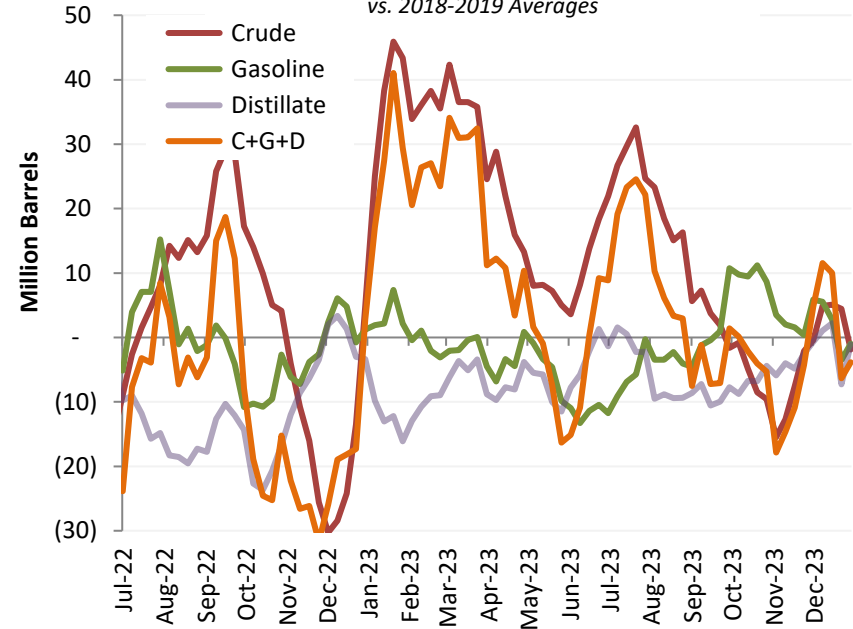
Excess US Crude + Product Inventories

Compared to the 2011-2014 Avg.



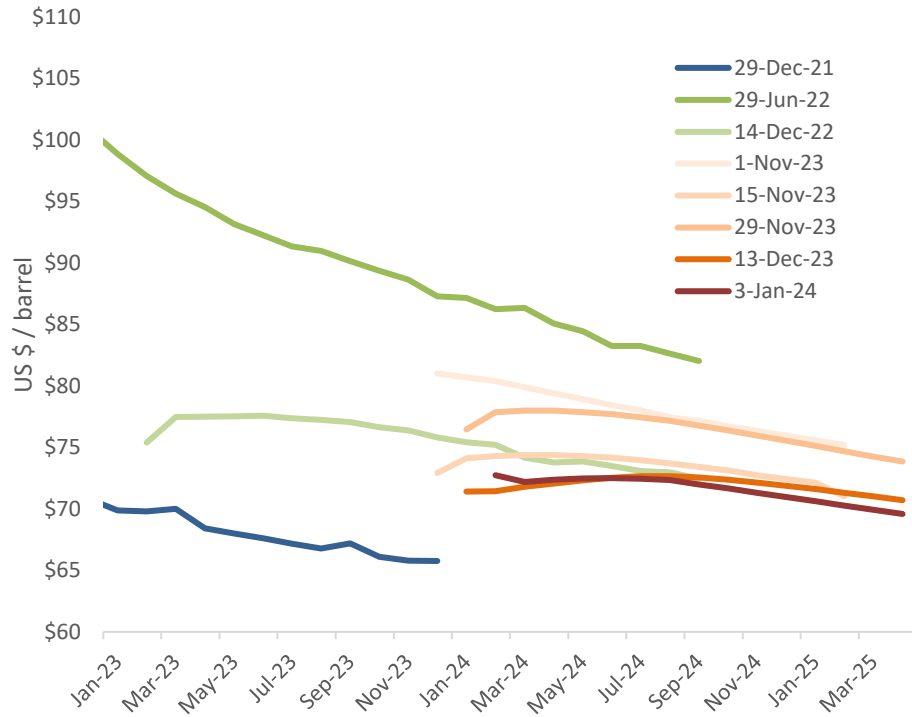
US Excess Crude and Product Inventories

Prod Supplied + Exports/2, 4 wma, by Turnover Days vs. 2018-2019 Averages

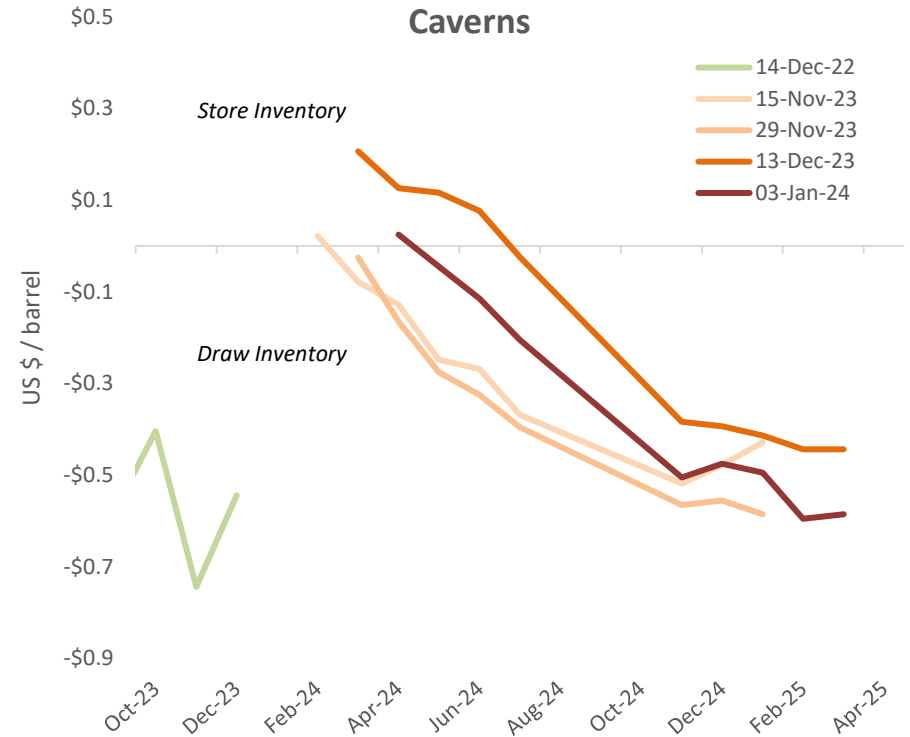


WTI Futures, Incentive to Store

WTI Futures Curve

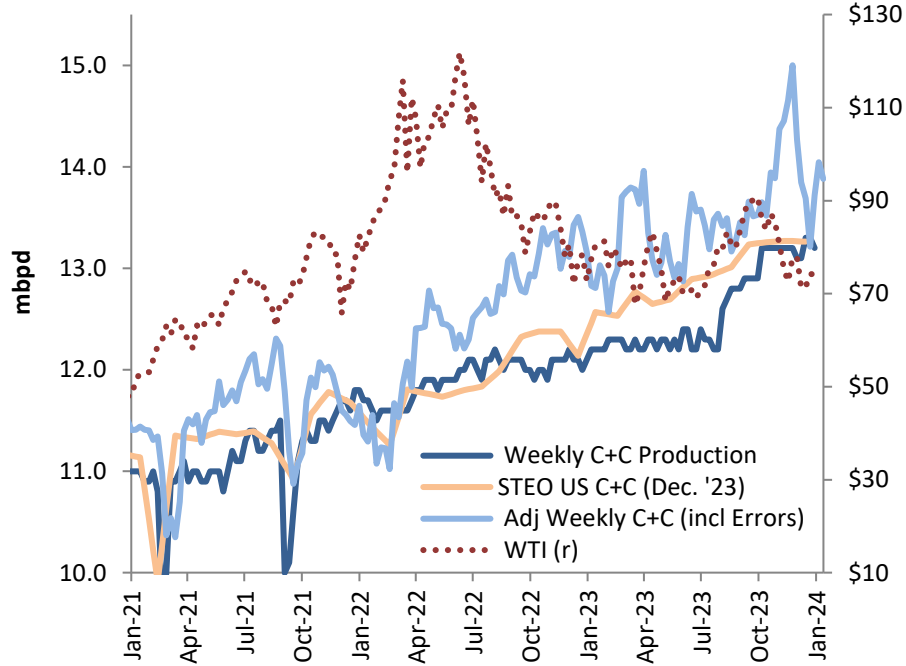


Incentive to Store Crude Oil at Louisiana Caverns

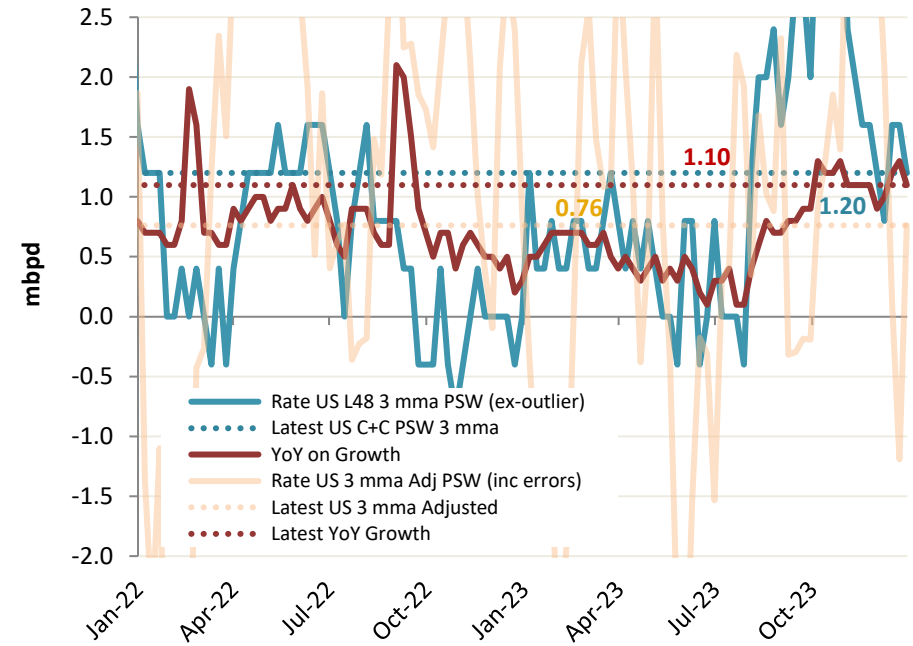


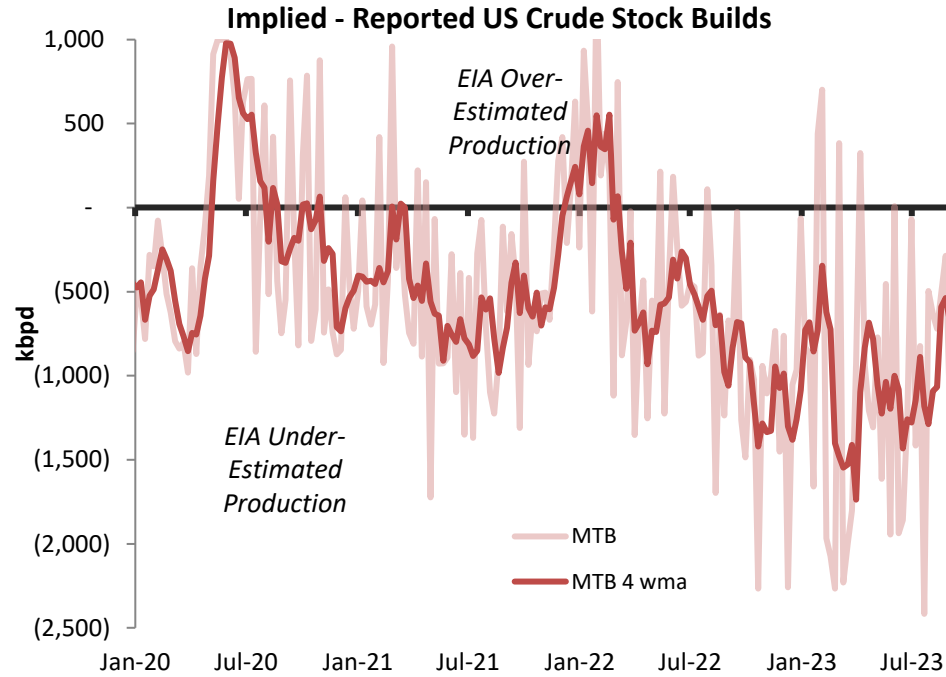
US Crude + Condensate Production

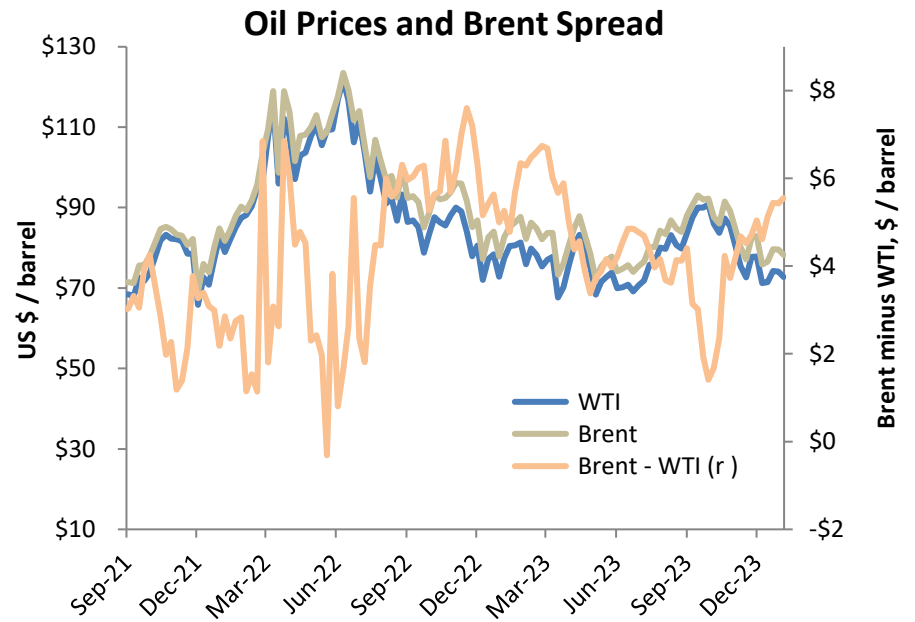
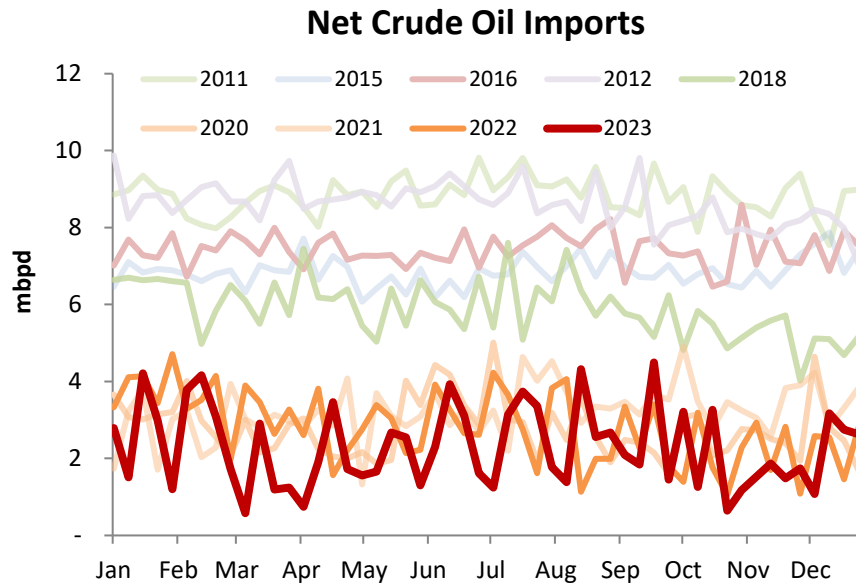
US Crude + Condensate Production

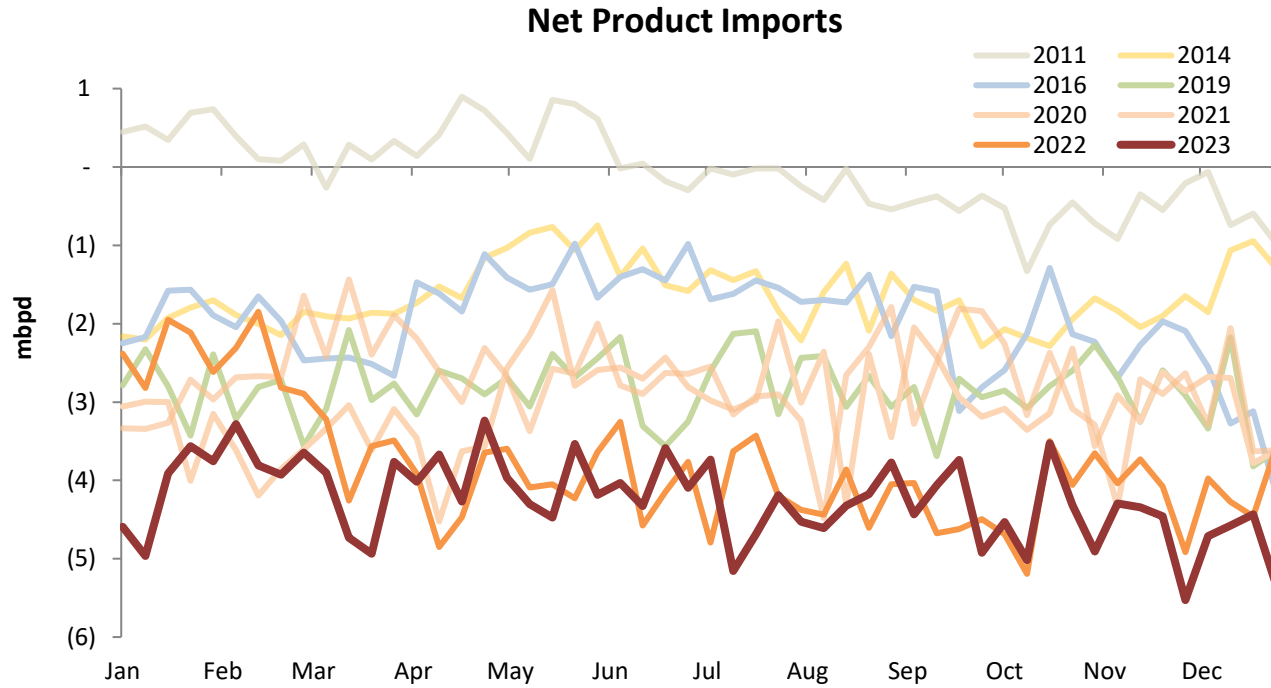


Annual Rate of US L48 C+C Supply Increase





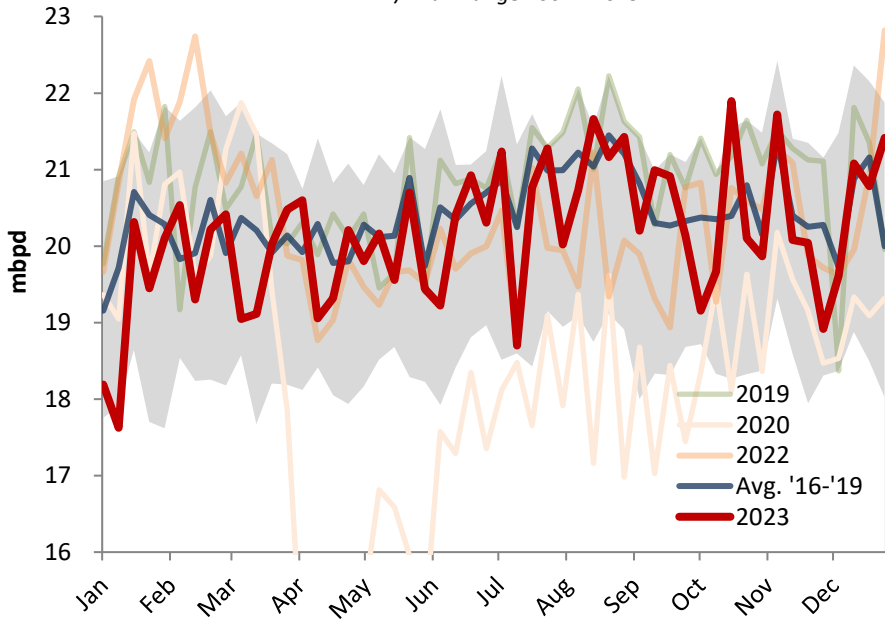




Product Supplied (Demand)

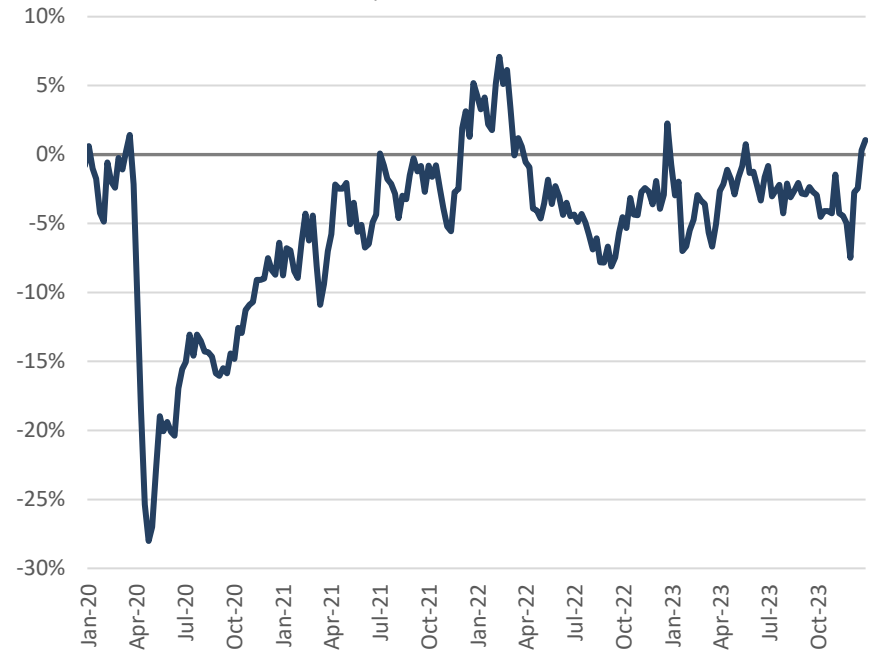
Total Product Supplied (Demand Proxy)

Min / Max Range 2004 - 2019



Change in Total Product Supplied (Consumption)

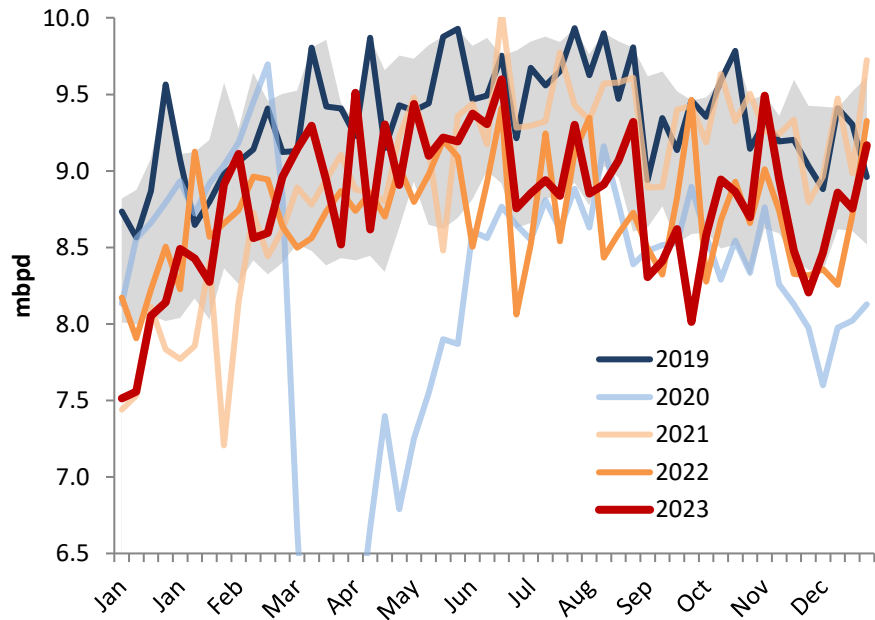
Compared to 2019, 4 wma



Gasoline Supplied (Consumption)

Gasoline Supplied (Demand Proxy)

Shaded Area Min/Max Range 2004 - 2019



Change in Gasoline Supplied (Consumption)

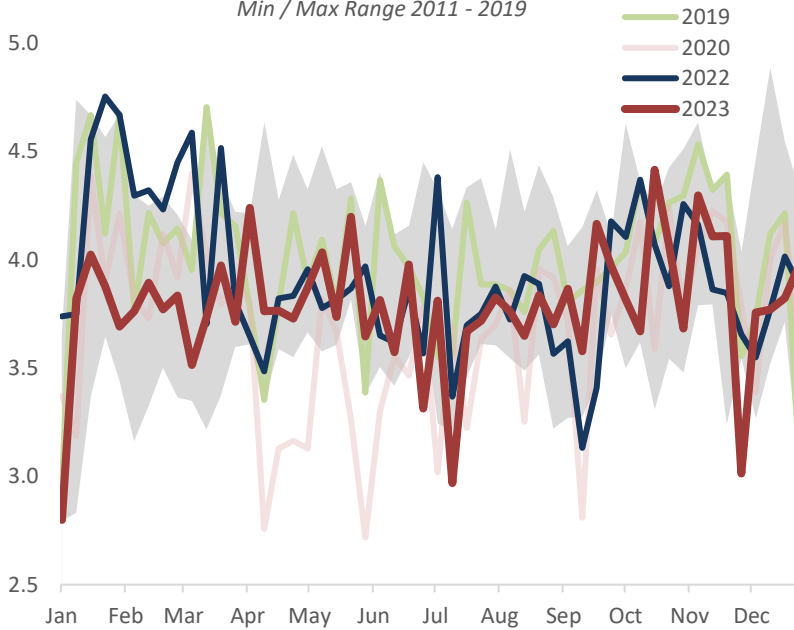
Compared to 2019, 4 wma



Distillate Supplied (Diesel Consumption)

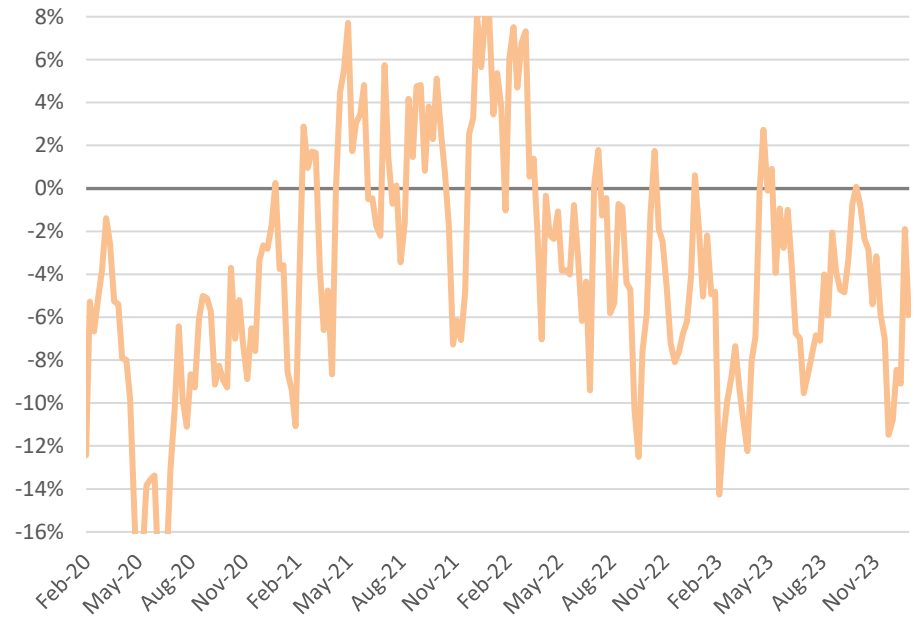
Distillate Supplied (Demand Proxy)

Min / Max Range 2011 - 2019



Change in Distillate Supplied (Consumption)

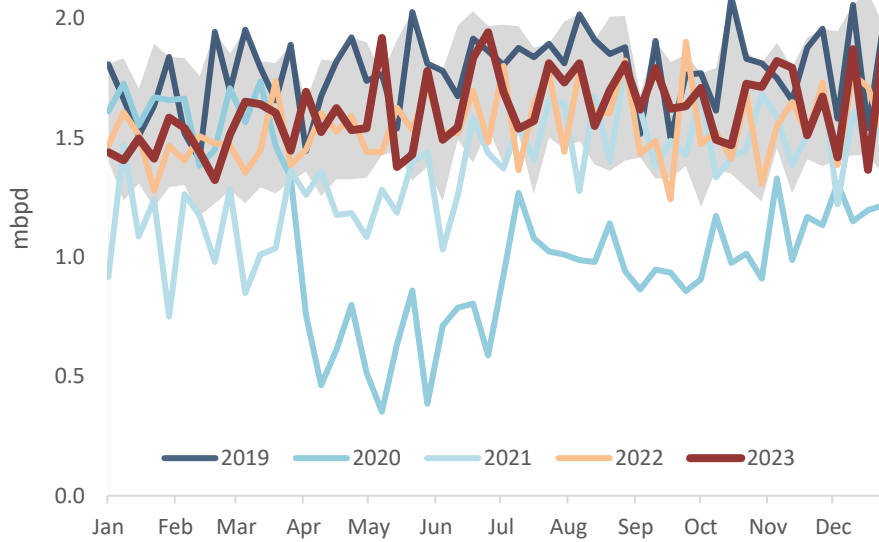
Compared to 2019, 4 wma



Jet Fuel (Kerosene) Supplied

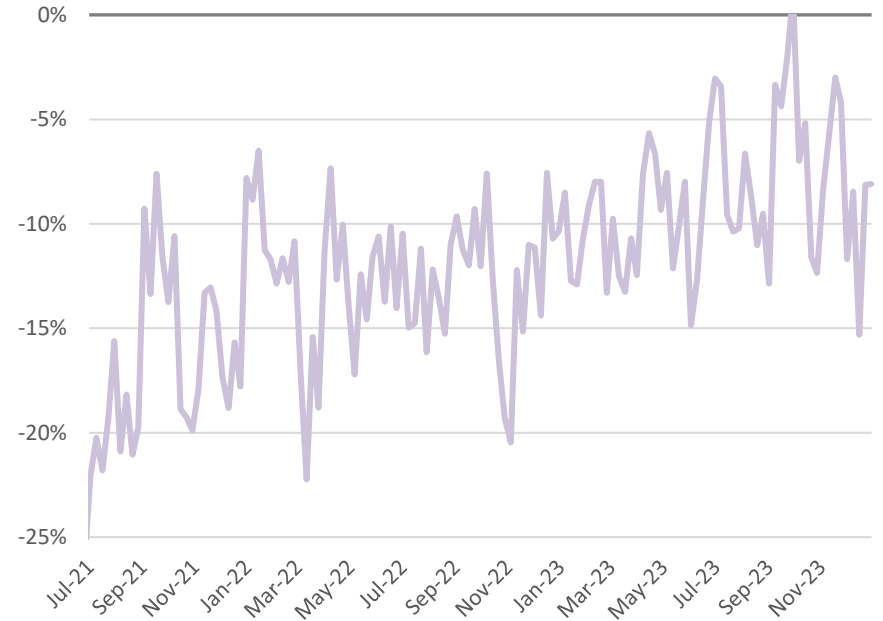
Kerosene Supplied (Jet Fuel Consumption)

Shaded Area Min/Max 2004-2019

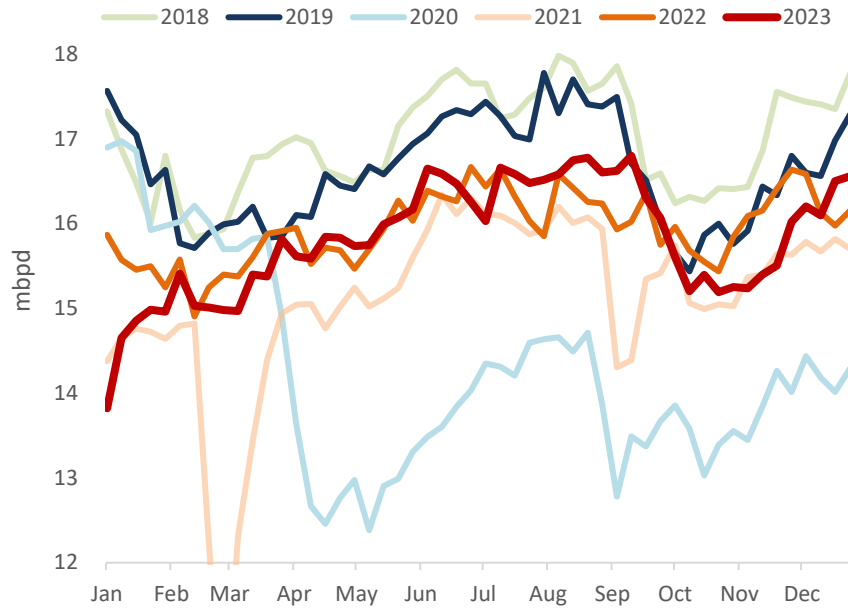


Change in Kerosene Supplied (Consumption)

Compared to 2019, 4 wma

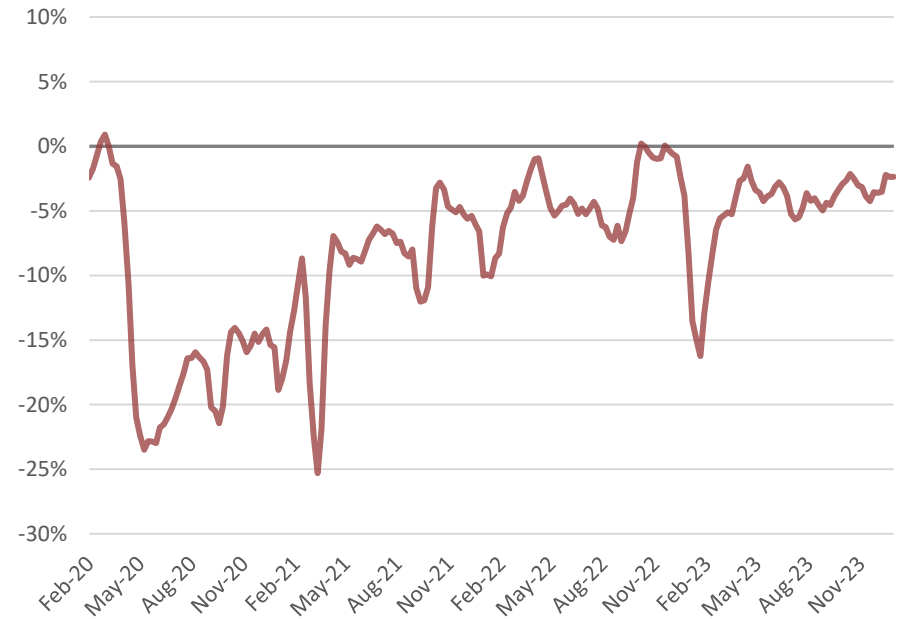


Refinery Runs



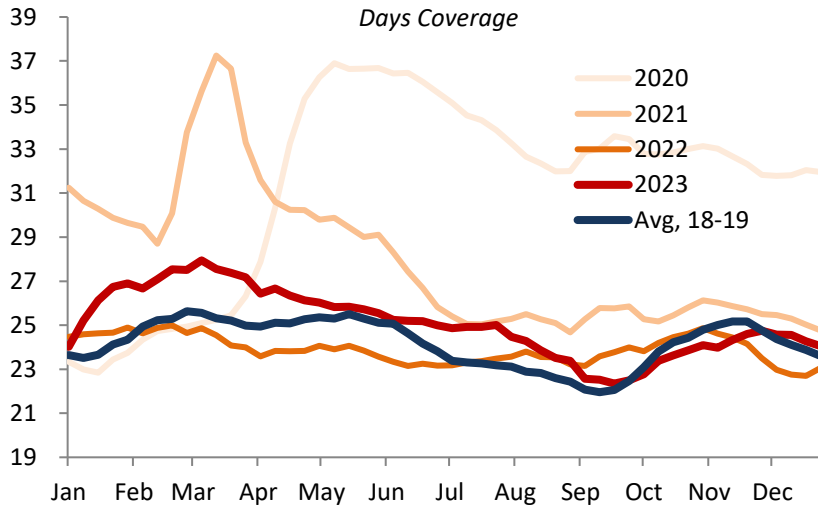
Change in Refinery Runs

Compared to 2019, 4 wma



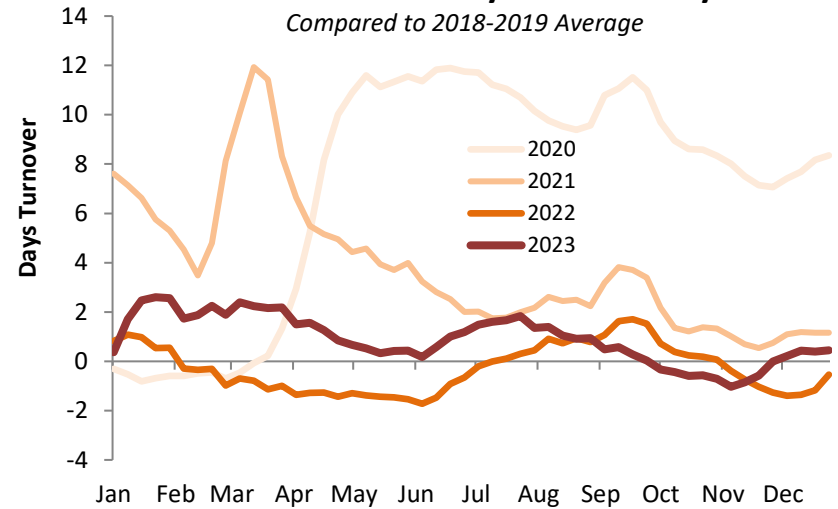
Crude Oil to Refineries + Exports/2

Days Coverage



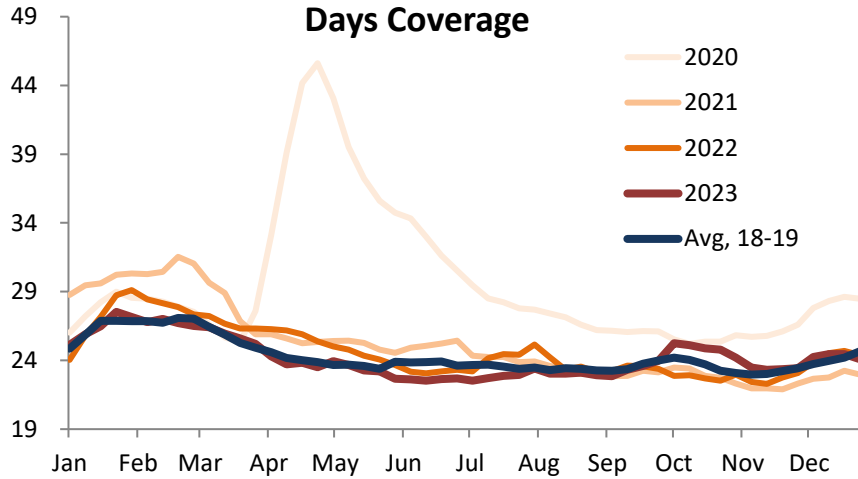
Crude - Excess Days of Inventory

Compared to 2018-2019 Average

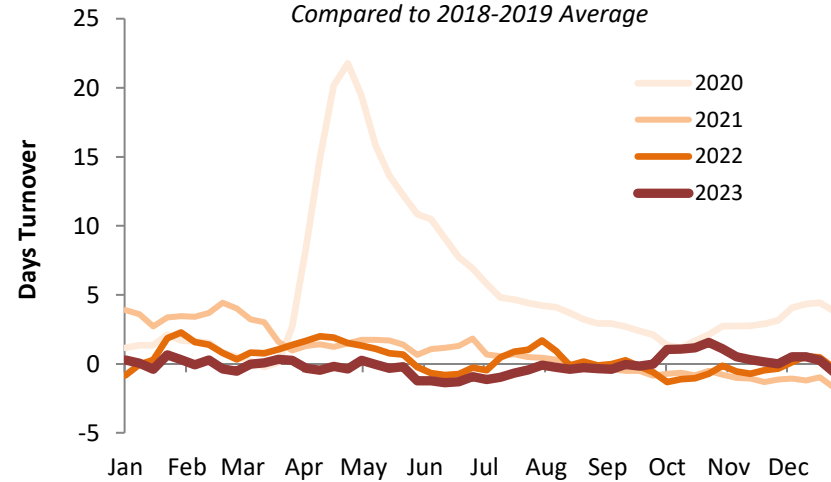


Gasoline – Turnover Days

**Gasoline Supplied + Exports / 2
Days Coverage**

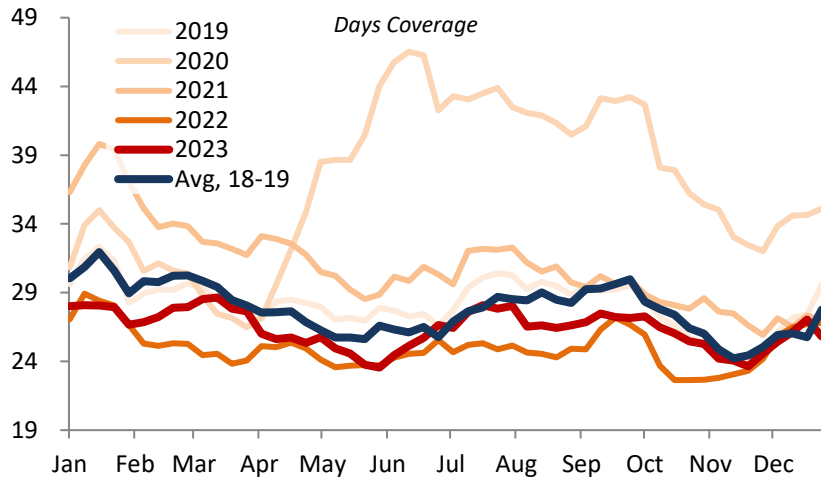


**Gasoline - Excess Days of Inventory
Compared to 2018-2019 Average**

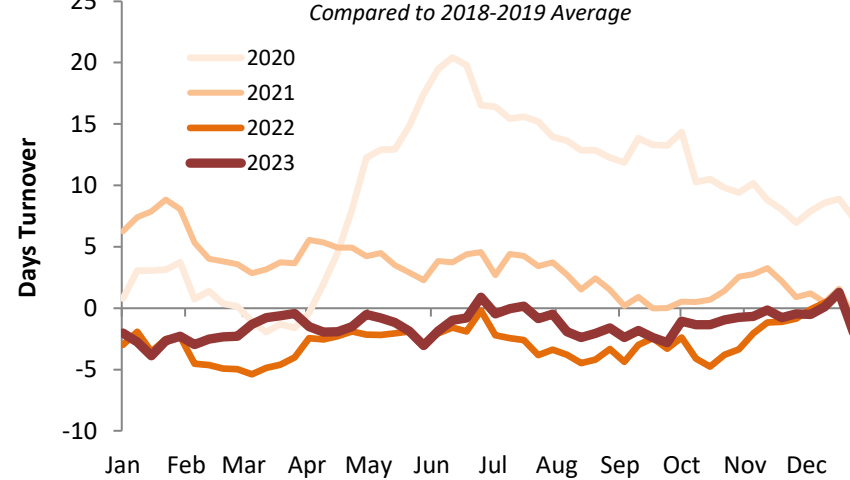


Distillate – Turnover Days

Distillate Supplied + Exports/2

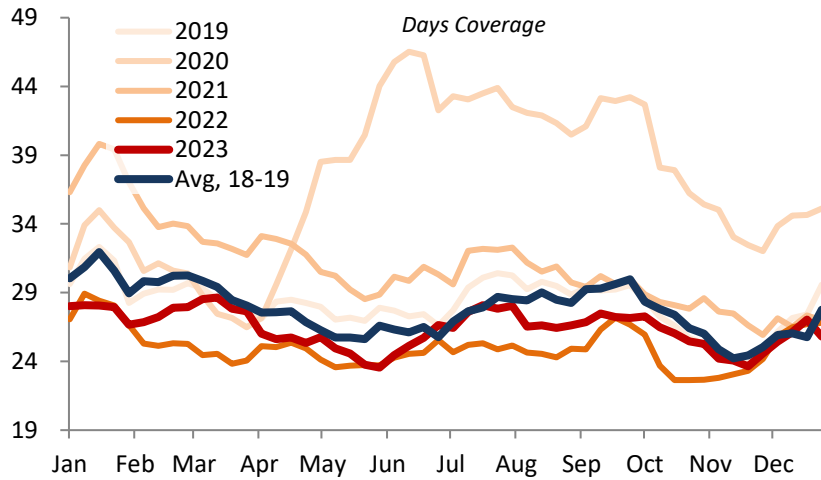


Distillate - Excess Days of Inventory

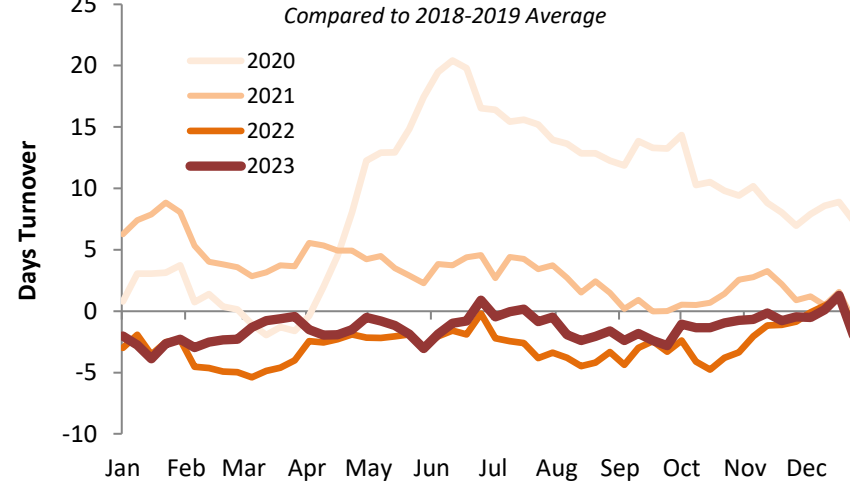


Jet (Kerosene) – Turnover Days

Jet (Kerosene) Supplied + Exports/2

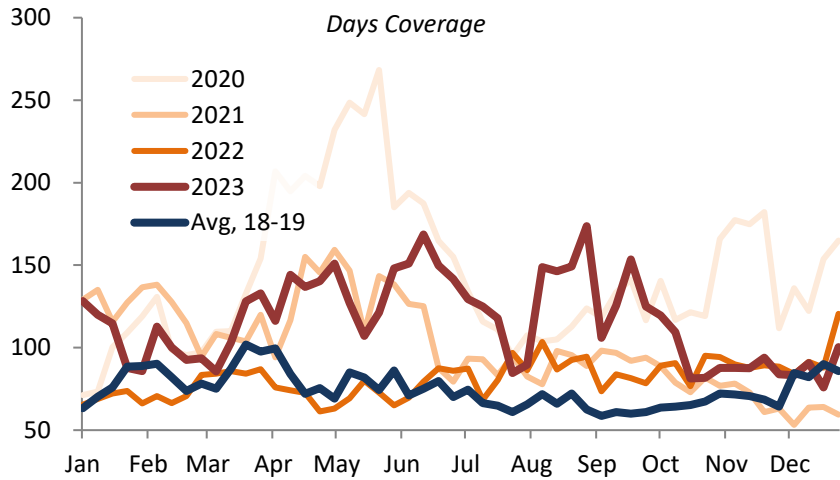


Jet - Excess Days of Inventory

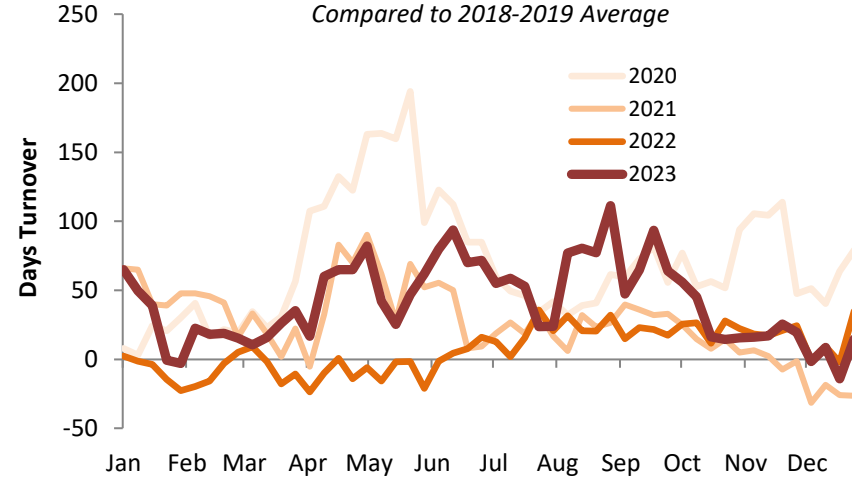


Residual Fuel Oil – Turnover Days

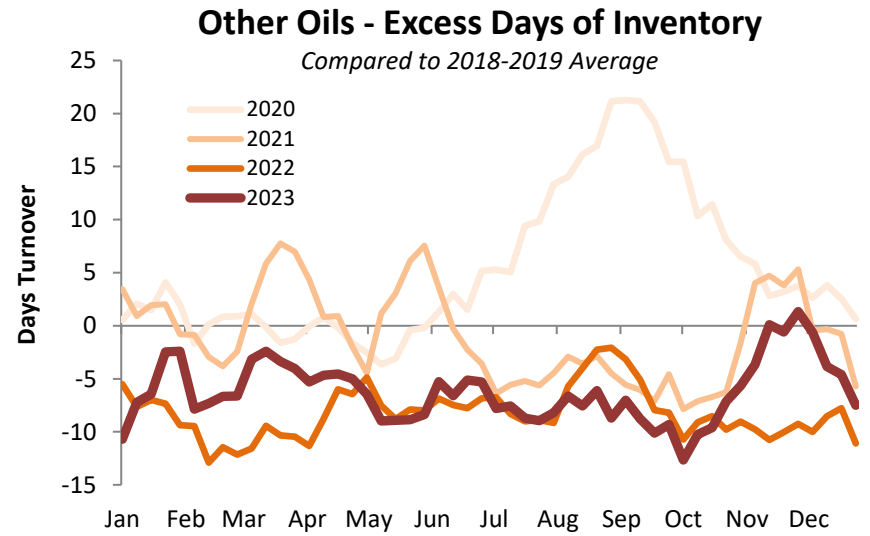
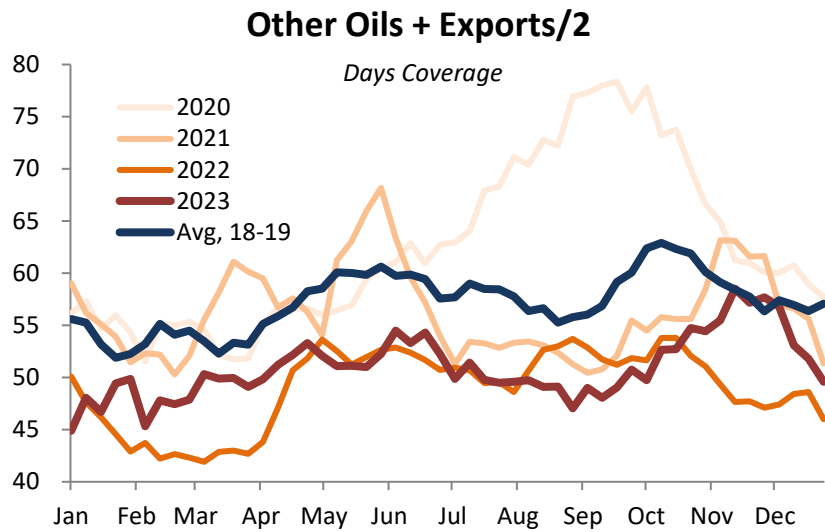
Residual Supplied + Exports/2



Residual Fuel Oil - Excess Days of Inventory

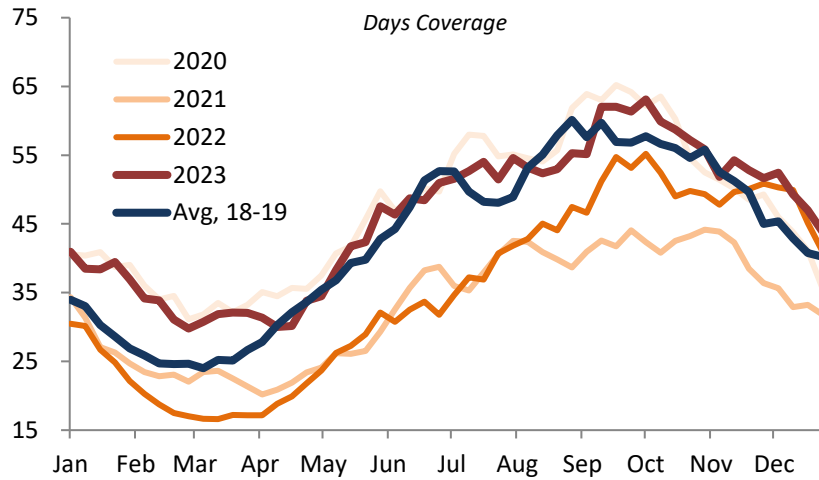


Other Oils – Turnover Days

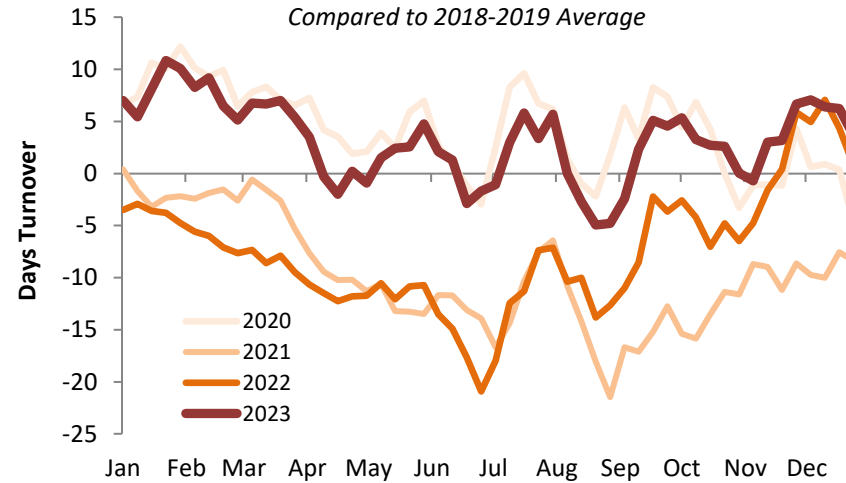


Propane / Propylene – Turnover Days

Propane Supplied + Exports/2



Propane - Excess Days of Inventory



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