

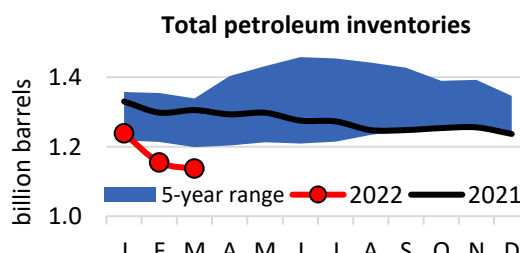
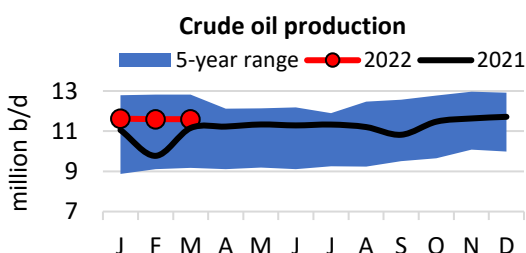
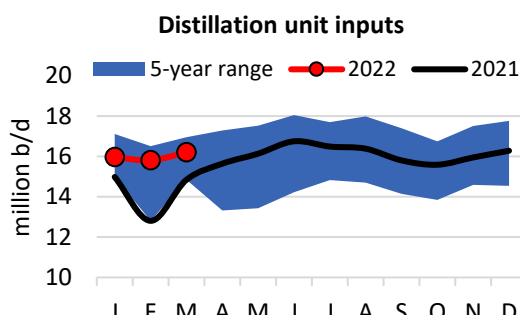
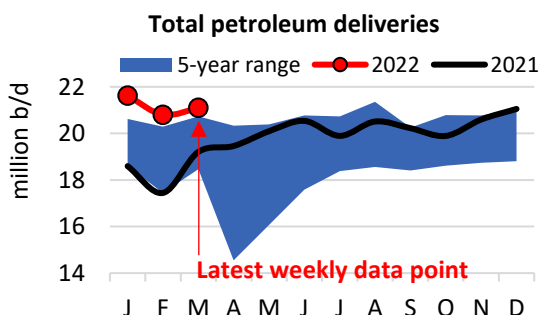
## Executive Summary

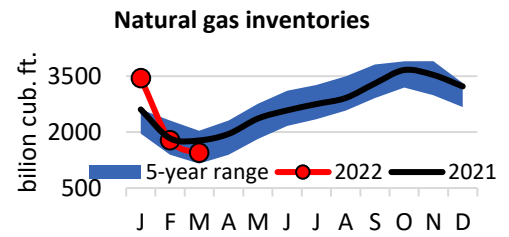
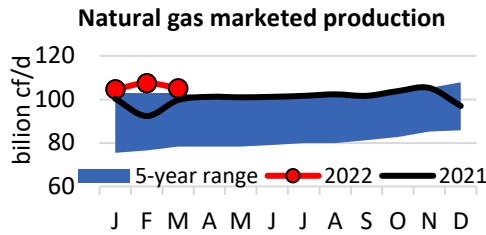
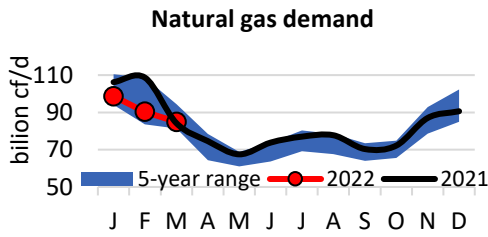
This report presents API and Energy Information Administration (EIA) U.S. demand, supply, and inventory data for the week ended March 18, 2022, plus Bloomberg spot and CME Group futures prices. Key takeaways:

### U.S. oil demand increased; production remained unchanged; inventories fell; and prices rose

- Prices.** Crude oil spot prices as of Mar. 22 were \$111.76 per barrel for West Texas Intermediate (WTI) crude oil and \$4.99 per million Btu (mmBtu) for natural gas at Henry Hub, equating to a 22:1 U.S. oil-to-gas price ratio. WTI crude oil spot prices rose by 15.9% week-on-week (w/w), while natural gas increased by 12.0% w/w.
- Demand.** U.S. total petroleum deliveries per EIA were 21.1 million barrels per day (mb/d), which was an increase of 2.3% (0.5 mb/d) w/w and 11.6% (2.2 mb/d) year-on-year (y/y). The weekly increase was led by distillate fuel oil (0.8 mb/d) and jet fuel (0.3 mb/d), partially offset by lower gasoline (0.3 mb/d) and other oils (0.2 mb/d).
  - High-frequency oil demand indicators, such as [FlightRadar24](#) flight tracking, [DAT](#) freight tracking, as well as [Apple's](#) mobility index showed increased weekly passenger vehicle mobility, freight spot truck posts, and flights.
  - Refinery gross inputs of 16.2 mb/d rose by 1.3% w/w and implied a capacity utilization rate of 90.8% per API. Natural gas demand of 85.0 billion cubic feet per day (bcf/d), with a downward prior-week revision of 12.8 bcf/d, increased by 3.2% w/w from 82.4 bcf/d and by 15.3% y/y for the week ended Mar. 16 (latest). Every end-use sector showed increases, with residential/commercial consumption leading by 6.3% w/w (2.0 bcf/d), followed by industrial at 1.3% w/w (0.3 bcf/d) and power at 1.1% w/w (0.3 bcf/d).
- Supply.** As of Mar. 11, U.S. production of crude oil and natural gas liquids remained unchanged at 11.6 mb/d and 5.7 mb/d, respectively. Natural gas marketed production as of Mar. 16 fell by 1.2 bcf/d w/w to 105.1 bcf/d but was up by 1.6 bcf/d y/y per EIA.
  - Baker Hughes reported 524 U.S. oil-directed rigs running as of Mar. 18, down by 3 rigs for the week but up by 206 rigs y/y. Gas-directed rigs added 2 rigs to 137 for the week and were up by 45 rigs y/y.
- International trade.** For the week ending Mar. 18, the U.S. remained a petroleum net exporter for the second straight week by 0.9 mb/d, as crude oil net imports fell by 0.8 mb/d w/w to 2.6 mb/d but were partially offset by 0.7 mb/d w/w lower refined product net exports. U.S. natural gas exports (LNG: 12.9 bcf/d; pipeline to Mexico: 5.7 bcf/d) grew by 0.1 bcf/d for the week ended Mar. 16.
- Inventories.** Total petroleum inventories (crude oil and refined products) of 1.137 billion barrels fell by 0.6% w/w. Crude oil inventories (ex-Strategic Petroleum Reserve) fell by 4.3 million barrels (mmbbl) to 413.3 mmbbl, their lowest for the week since 2014 per API. Natural gas storage decreased to 1.440 trillion cubic feet, which was 304 billion cubic (bcf) lower than the five-year average and 344 bcf lower than last year at this time.

Charts based on the latest weekly data and API Monthly Statistical Report (MSR)





## Prices as of March 22, 2022

|                  | Brent crude oil (\$ per barrel) | WTI crude oil (\$ per barrel) | Brent-WTI price differential (\$ per barrel) | Henry Hub (\$ per mmBtu) | U.S. oil-to-gas price ratio |
|------------------|---------------------------------|-------------------------------|--|--------------------------|-----------------------------|
| Spot             | 115.16                          | 111.76                        | 3.40   | 4.99                     | 22x                         |
| 3-month futures  | 108.53                          | 106.55                        | 1.98   | 5.27                     | 20x                         |
| 12-month futures | 93.37                           | 88.96                         | 4.41   | 4.88                     | 18x                         |

